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Near East/North Africa Report

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NEAR EAST/NORTH AFRICA REPORT

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IRAQI OIL MINISTER COMMENTS ON COOPERATION WITH FRANCE

JN032036 Monte Carlo Radio Monte Carlo in Arabic 1720 GMT 3 Oct 81

[Interview with Iraqi Oil Minister Tayih 'Abd al-Karim by Nabil Darwish, Monte Carlo correspondent in Baghdad--recorded; date not given]

[Text] [Question] Your Excellency Iraqi Oil Minister Tayih 'Abd al-Karim. You are heading the Iraqi side to the meetings of the joint Iraqi-French economic committee, which will start today, Saturday. Can you talk to us about the work of the fifth session of this committee?

[Answer] We are pinning great hopes on the work of this committee and hope that this session will further strengthen and widen the spheres of the economic and technical cooperation between France and Iraq, stemming from the joint desire of the two governments and in accordance with the interests of the two friendly peoples.

Arab-French relations go far back. As for the present, Arab-French relations were established on solid pillars by the late general and great French leader de Gaulle, later bolstered by Pompidou and Giscard d'Estaing. We are confident that the new French leadership, with which we meet on more than one level, particularly on our socialist course, will definitely contribute to further promoting the spheres of the French-Iraqi cooperation in various fields so that our cooperation may stand as an example for sound and correct cooperation among world states, particularly between an industrial state and a developing state that is anxious to develop and progress.

French-Iraqi relations may stand as a sound example for similar relations between two countries as I mentioned before.

[Question] Mr Minister, due to the circumstances of the ongoing Iraqi-Iranian war, Iraq is no longer the second largest oil exporter to France. Are there any measures for increasing the oil flow to France?

[Answer] I should say that current stage of the world oil market is not normal. This condition is certainly temporary because every now and then we experience similar conditions in which the world market is flooded with an oil surplus. Undoubtedly, this condition has its reasons and justifications. Under such circumstances, it would be very difficult to assess the abilities of oil-producing countries to fulfill their commitments. Iraq, for example, due to the

exceptional circumstances it is experiencing, is not the second largest oil exporter to France. However, this does not cancel Iraq's previous role. Actually, Iraq is ambitious to become the largest oil-exporter to France, particularly in light of the positive and continuously developing relations between the two countries.

[Question] Mr Minister, next to the issue of the Iraqi nuclear reactor and the reconstruction of this reactor, what is the biggest and most important issue you are going to discuss at the committee [words indistinct]?

[Answer] In fact, the joint Iraqi-French committee is entrusted with discussing the framework of the joint economic, technical and commercial cooperation. This will certainly lead to broader cohesion and interaction of the interests of the two friendly countries, to the point where we can optimistically say that no matter how hard the tendentious sides and enemies of French-Iraqi friendship try, they will not succeed in undermining this cohesion and cooperation.

We hope that our relations with France will assume greater dimensions in the various economic, commercial and technical fields, not only in the field of nuclear cooperation. We hope that France will be one of the pioneers to play an important role in the Iraqi development process.

[Question] Thank you, Mr Minister.

CSO: 4404/39

IRAQ'S RAMADAN CONFERS WITH VIETNAM'S LE KHAC

JN041240 Baghdad Voice of the Masses in Arabic 0800 GMT 4 Oct 81

[Text] Taha Yasin Ramadan, Revolution Command Council [RCC] member and first deputy prime minister, last night received Le Khac, Vietnamese foreign trade minister, and his delegation.

Taha Yasin Ramadan expressed pleasure at Vietnam's participation in the new session of the Baghdad International Fair, something which reflects the development of relations between the two friendly countries. He stressed that the exchange of visits between the two countries' officials contributes to promoting relations in various fields.

Ramadan reviewed the dimensions of our holy battle against the Persian aggressors in defense of our just, national and pan-Arab rights. He expressed the Iraqi people's pride in and appreciation of the Vietnamese people's struggle, stressing that the Vietnamese people's victory over U.S. imperialism is a victory for all peoples aspiring to freedom and progress.

Le Khac conveyed to President Saddam Husayn the greetings of Nguyen Huu Tho, vice chairman of the Vietnamese State Council, and his wishes of further progress and prosperity to the Iraqi people. He praised the aid extended to the Vietnamese people by Iraq for the sake of bolstering the march of development in the friendly country.

During the meeting, which was attended by the Vietnamese ambassador in Baghdad, the two sides discussed ways of expanding the relations of cooperation and friendship between the Arab socialist Ba'th Party and the Vietnamese Communist Party to consolidate their joint struggle against imperialism and Zionism. They also discussed the promotion of economic relations between the two friendly countries.

At the end of the meeting, Le Khac gave Ramadan a token gift from the Vietnamese National Assembly as a symbol of the development of relations of friendship between the two countries.

CSO: 4404/39

INTER-ARAB AFFAIRS

FATAH OFFICIAL DISCUSSES FIGHT WITH ISRAEL, DIFFERENCES WITH ARABS

London AL-HAWADITH in Arabic No 1293, 14 Aug 81 pp 20-21

[Interview with Khalid al-Hasan, chairman of the Palestine National Council's Foreign Affairs Committee and member of the Central Committee of Fatah by 'Adil Malik; date and place not specified: "Khalid al-Hasan Tells AL-HAWADITH about the Battle That Preceded the Last Battle with Israel; the U.S. Key Is Activated by Arab Hands; the Arab Position Is Confined to the Oil Countries"]

[Text] Fatah is still careful about getting no pressure from any official Arab agency.

No country has the right to ask the Palestinians to recognize another country.

The voice of Khalid al-Hasan, chairman of the Foreign Relations Committee in the National Council and member of the Central Committee of Fatah is one of the candid and clear voices [that is being heard] in the Palestinian Resistance. Like most leaders in the Palestinian struggle movement, he insists on the independence of the Palestinian will and decision-making power, and he condemns every regional attempt to polarize Palestinian action. He considers the current stage of the ongoing battle between Palestinians and the Zionist enemy to be critical, lacking nothing but the Arab earnestness to persuade the West that the solution to the Palestinian problem is actually the key to all the unsolved problems in the Arab area and in the Middle East.

Khalid al-Hasan rejects the principle of "simultaneous mutual recognition" between the liberation organization and the Zionist state. He brings the Arab countries face to face with their historic responsibilities, affirming that if the Arab position were characterized by earnestness and solidarity, the change that has begun taking place in western public opinion in general and in U.S. public opinion in particular will assume new proportions and will do so rapidly.

At any rate, Khalid al-Hasan specifies many points in his interview with AL-HAWADITH, especially when he answers the question whose purpose is to bring about an understanding of the nature of the recent vicious Israeli attack on Lebanon and the escalation of the Palestinian struggle.

[Answer] So that we can understand what is happening at present, what did happen last month or what will happen in the near future in Lebanon, we must shed some light on the reality or the outcome of the struggle in the Middle East and on the position which the Palestinian Revolution has reached on the Arab and international scenes. This way we can understand the motives for the events that occurred recently. We can describe these events as the penultimate battle in this struggle which is related to Palestinian diplomacy worldwide. It is understood that Zionist strategy has been based basically on propaganda that is launched from a land without a people and directed to a people without land. Accordingly, Zionist thought and Zionist leaders understand quite well that when Palestinian people return to the scene of political activity, the Israeli premise in its entirety will collapse. If the Israeli premise does not collapse entirely, the question of the Palestinian people will, at least in front of world public opinion, have the same status as that which the Jewish question had early in World War I. Therefore, Zionist strategy is confined to [the effort to] close the Palestinian file and abolish what is called the Palestinian people so that the world would not begin talking about Palestinian rights. Naturally, the policy that has been supporting Israel, and especially western policy, has been working in this field. This is the secret behind not recognizing the liberation organization or the insistence that it not be recognized as the representative of the Palestinian people. This policy continued from 1948 until 1965 when Fatah began the armed struggle. During that period the Palestinian people have been nonexistent in any international political context--they had no presence in the United Nations or outside the United Nations. The Palestinians became mere refugees whose case was viewed as a case of refugees. Then the matter went as far as contemplating the liquidation of the question of Palestinian refugees, either through settling them or educating them. The agency began dropping from its records every person who earned a university degree, a secondary job or became engaged in free trade. The agency did that to reduce the number of refugees [on its books] so that in time the process would come to an end and no trace would be left of the Palestinian people. Recently when the Palestinian struggle began to escalate and discussions about a Palestinian state began to increase, the Zionist leaders came out with an idea that was supported by the United States. At first, this idea was supported by Europe; now, however, Europe is beginning to change its position. [This idea is] that there cannot be two states between the river and the sea. In other words, if Israel does not take what is left of the West Bank and Gaza, that land is to be returned to Jordan, with Jordan being the state [for the Palestinians]. Then the idea that this state could be the state for Palestinians began [to grow], whether the regime in that state was a royal regime or a republic. What was important, however, was that the capital of this state be Amman; that its name be Jordan; and that it be the state for Palestinians. It is to be noticed that Israelis and others in this area suddenly began believing in unity and rejecting fragmentation: they wanted one state and not two. The reasons for this were quite obvious: they did not want the Palestinian personality to return to the international scene as an independent Palestinian personality so that the rights of the Palestinian people would not return to the international scene as rights over which disputes would occur. In addition,

the fact that the subject would be brought to an end with one state in Jordan meant that the problem of Palestinian refugees could be solved in Jordan, since Jordan had space for a million Palestinian refugees. The remaining refugees would settle where they were residing now. Consequently, the problem would come to an end, and Israel would ensure that the struggle in the area would continue, at least internationally, to be an Arab-Israeli struggle and not a Palestinian-Israeli struggle. This is because from the standpoint of international law at the present stage the continuation of the struggle as an Arab-Israeli struggle, with Israel being a permanent member of the United Nations, makes this struggle a struggle over borders and not a struggle over existence. Thus, in the context of the current international balances of power the question remains in Israel's favor and not in the Arabs' favor. But the Palestinian people--and I can say that their struggle is miraculous from the standpoint of the magnitude of the question they represent and not their quality as human beings--insisted on holding on tenaciously to their affiliation with their homeland and their Arab character in a style that was practical, philosophical and theoretical. The practical style of expressing their affiliation is quite naturally that of struggle. The Palestinian struggle has thus been an expression of Palestinian affiliation with Palestine and with Arabism. The more this affiliation was exposed to danger through extermination actions, the more natural became the growth of these people's will to struggle to hold on to their affiliation and their existence. As a Palestinian and an Arab people they expressed this affiliation in their struggle. This is the secret behind the continuing escalation of the Palestinian people's will to struggle despite the losses that befall them. With this posture they reverse all familiar international traditions because losses usually subdue [people]. However, the more these people lose, the more their will to struggle grows.

[Question] What is the future of Israeli-Palestinian relations in view of the Israeli extremist policy after the return of Menahem Begin to power?

[Answer] Begin suffers from the same disease we used to suffer from. His principles are identical to his programs of action and not an indication of them. Accordingly, his ideological position coincides 100 percent with his practical position. Hence, his haughtiness, arrogance and pride assume such sharp proportions because he holds on to these positions of principle in which he has believed ever since he was a little boy. Begin's belief in the subject of Great Israel is based on religion. People say this man is insane. In truth, he is not insane [at all]. He is rather an extremist Zionist. He is a reasonable man, and he is aware of the danger of an internationally recognized Palestinian presence. He also understands the impotent Arab reality that exists at the present time. He knows that in the long-range, time is not in the interests of Israel. Accordingly, he must firmly establish in the shortest possible period of time a new reality that is as solid as possible so that changing that reality would be difficult. Therefore, when Begin carries out these actions, he relies on several matters. He relies, first, on his influence in the Zionist Movement in the United States. Second, he relies on the United States' need for Israel as a military base in its defense plans against the Soviet Union.

Third, he relies on the fact that costs incurred by the United States in protecting Israel are much less than those the United States would incur if it wanted to carry out the Israeli tasks itself. Begin is also relying on the fact that the Arabs cannot do anything at this historic stage because of their negative, defensive state of mind and because of their differences which Kissinger had once described as Israel's Israeli extension. Consequently, the Arabs have done nothing but protest, and as long as no counteraction takes place outside the framework of protests, Begin can proceed with all the changes he wants until those changes represent something new that has no relationship [whatsoever] with the past. He would [thus] confront the whole world with the new reality. Begin's conduct is in this context. He thus has two objectives: the first is "to Judaize" everything inside Palestine as quickly as possible and to use all the means of oppression inside the country to force people to emigrate; the second objective is to strike the PLO so that it would ultimately become subordinate to one of the Arab organizations. This would bring about the demise of the Palestinian question and the Palestinian struggle. We wish that the Arabs who want to control the liberation organization understood the danger of what they were doing to themselves and to the Palestinian question. In their actions they are only realizing Begin's objective and effort to strike the PLO so that he could ultimately abolish the struggle of the political organization for something called the Palestinian people. Consequently, he would [also] abolish the Palestinian question and Palestinian rights. Hence, another western settlement [plan] like Camp David can be set up, and this would close the file on the Palestinian question without achieving Palestinian gains. You may have noticed that peace negotiations were being proposed recently to any country. Such a proposal was made to Syria, to Lebanon, to Saudi Arabia and to every Arab country that has a direct or an indirect relationship with the struggle. Such negotiations would sidestep and abolish the Palestinian factor. One of the problems encountered by this proposal was that of the Palestinian presence in Lebanon. Although Palestinians had promised the Lebanese government during the administration of Sa'ib Salam that they would not carry out any actions across the Lebanese borders and although they have kept their pledge, with the exception of the October War of course, Begin used to strike in Lebanon to retaliate against what our people in the occupied land were doing against the occupation. Accordingly, strikes were directed against Lebanon not because the Palestinians had launched actions against Israel from Lebanon, but rather because of the actions of Palestinians inside Israel and inside the occupied land. On the other hand, the independence of Palestinian action is based on two matters. First, the multiplicity of financial resources assures the independence of the Palestinian political decision. Fatah has pursued this multiplicity of resources from the outset, and it is still doing so. Therefore, when one of the Arab leaders tried to restrain Fatah, it did not comply with his conditions, nor was it affected by his [attempts] to restrain it because of the financial independence it had acquired through this multiplicity of financial resources. But the independence of the Palestinian movement is tied to its presence in numerous geographical locations. As long as the Palestinian Movement is to be found nowhere else but in Lebanon, this means that the Palestinian Movement will naturally become subordinate to Lebanon even though it has not been and cannot become

subordinate to Lebanon or to any other country. Therefore, strikes against the Palestinian Resistance have to be carried out in Lebanon so that the Resistance can become subordinate to the other country where it will go when it leaves Lebanon. The Palestinian Resistance would thus lose its independence in the movement. In this case it loses its political independence because if the political situation of the Palestinian question becomes isolated from the Palestinian Movement, it is divested of any value and is accordingly manipulated by the Arab position which would exploit the Palestinian question as it did in the past.

[Question] Is there full awareness of this analysis?

[Answer] There is no doubt that we in Fatah are fully aware of this. Therefore, despite everything that used to be said about us, we were fully determined to maintain our relations with all the Arab countries so that we could preserve the multiplicity of our financial resources and preserve our independence. Therefore, we have always insisted on having a dialogue with Jordan so that we could have a presence in more than one location. We would thus not be downtrodden by any official Arab agency again because we have experienced this for a long time.

[Question] How should the Resistance conduct itself in order to remain an independent movement with regard to attempts by some Arab regimes, which we notice every now and then, to contain the Palestinian Resistance Movement?

[Answer] It seems that this has become [rather] difficult because a few regimes have established organizations that are considered part of their parties. Consequently, these organizations must be tied to the decisions of the state, which is governed by the party. There are other organizations that became connected to these regimes in one way or another. The connection had an ideological premise that made these organizations see their survival as hanging on this connection. This matter requires a kind of coexistence and a kind of special intelligence that would enable us to preserve the Palestinian decision so that Palestinian leaders can maintain the independence of the Palestinian decision. The majority of the Palestinian people reject any form of Arab interference in the Palestinian decision and in the Palestinian will. This is what is giving the Fatah movement extraordinary power in this area; it is this that has so far enabled it to maintain the independence of the Palestinian decision. But we also need more wisdom; we need to understand others more; and we need to have others understand us so that this fear that has prevailed over Palestinian-Arab relations on the popular level can be wiped out. This is due to the sweeping affection that has been protecting the Palestinian Revolution from the regimes. I do believe, however, that we have gone beyond the real point of danger and that every attempt that was made to contain the Palestinians proved to be fruitless, especially after one Arab leader had made every effort to contain the other organizations so he can do away with them or create division on the Palestinian scene. The recent battle united all [the forces] inspite of them. Hence, we cannot imagine that anyone at this stage is capable of appropriating the Palestinian

decision. The problem is that we need to preserve the effectiveness of the Palestinian movement and not the independence of the Palestinian decision. It is this that requires us to have a presence in numerous geographical areas and to have a multiplicity of financial resources so we can preserve this effectiveness.

[Question] What remains is the question about mutual recognition that is constantly being put to Palestinian leaders: who recognizes whom? What is the Palestinian reply to the question about the organization recognizing Israel first?

[Answer] We do in fact notice that the West has nothing to talk about now but the subject of recognition when there is any discussion about the Palestinian subject. Recently [people in the West] began talking about mutual recognition. Our position in this regard is clear: we believe that Palestine belongs to us, and we will never give up our dream of reuniting Palestine. This is as far as principle is concerned. As far as the subject [itself] is concerned, insofar as it is tied to practical application and to the method of this application, we announced at the National Council the need for the establishment of a Palestinian state on the part of the Palestinian land that is liberated. We have always been telling Europeans and others, "You have to recognize the Palestinian people first. When you recognize the Palestinian people, that recognition means that you recognize the rights of the people and the leaders of the people and that you cooperate with them on that basis. You commit yourselves to that. Even though international law has basically recognized the existence of Israel, you are committed by the same principle with regard to the presence of the Palestinian state because it exists in the resolution. Consequently, the Palestinian struggle is seeking the restoration of Palestinian sovereignty to Palestinian land. When we reach this stage and the Palestinian state is established with its elected parliament and its elected government, it will then be possible to discuss many things in accordance with the development of circumstances and the method by which full Palestinian rights can be regained. But a discussion about recognizing Zionist Israel may not take place now because we cannot recognize those whose philosophy is based on taking land and expelling people. This cannot be, and the European and western request for recognizing Israel is inconsistent with democracy and with the right for self-determination. It is also inconsistent with sovereignty. No one has the right to ask us to recognize any country in the world. This subject has nothing to do with other people; it is a subject that pertains to sovereignty and has nothing to do with another power.

[Question] And yet the American role remains the fundamental role in the game [that is being played to achieve] a solution. Do you see specific changes, negative or positive, in the U.S. position?

[Answer] Before I answer the question about changes, I want to say that the basic position or the key [to the problem] is the U.S. position. But I also want to say that the U.S. key cannot be turned in the absence of an Arab hand, that is, in the absence of a clear and an unequivocal Arab

position. And here I would like to propose a few things so that they would be clear to Arab officials. I know almost the vast majority of Arab officials, and I know that their intentions are honest in everything they say. However, honest intentions alone are not enough in international politics. All the westerners I talk with say, "We hear statements of support for you from the Arab countries, but how can we take these statements seriously?" Naturally, there would be no reason for this question if those who were asking were among our friends; but it is because they are always looking for reasons to assume a counter position that they want earnestness. Some of them said about Arab practice, "How can we believe any Arab threat when we find that the volume of Arab investments in our country is increasing along with these threats? One who threatens does not increase his investments!" In other words, everyone is saying, "There is no sign or indication that our interests are in jeopardy." This requires that the Arabs' earnestness be expressed in material terms and not only in verbal terms. The West would thus know that if it does not adopt the Arab point of view, the Arabs will assume a position on western interests. This is the only language that is understood. This is with regard to the subject of the key to the solution. But as far as change is concerned, there is no doubt that U.S. public opinion has changed. We are beginning to see for the first time in editorials of U.S. newspapers a call for a dialogue with the PLO and criticism of the White House because it has been slow in assuming a position on Begin's recent actions, which no one has been able to defend. The most recent occurrence [along those lines] was what was said to Haig when one of the journalists asked him, "Let us suppose that the attacks that took place last month had been reversed and that it was Tel Aviv and not Beirut that was raided and the victims were Israelis and not Lebanese and Palestinians, what would the U.S. position have been?" And here Haig was silent and did not reply.

However, the mere fact that people are asking the U.S. administration such questions is considered the beginning of a change in the centers that have the power to influence public opinion. We also notice from the letters that readers send to editors-in-chief to comment on events, beginning with the bombing of the Iraqi reactor to the events of Beirut, that the human factor is beginning to awaken because people are beginning to know [the truth]. This indicates that the posture of public opinion is related to the facts that the public knows. The more the public knows, the faster it moves. What is important is that U.S. public opinion is beginning to change to our advantage. However, policy does not usually change through these matters. Those in the White House know everything, and those in the Department of State know everything. But we have to continue relaying the facts to people so that the change in public opinion does become a force that can influence the official political position of the U.S. government. This too requires not only truthful and organized information, as well as radical change in the method of information, but it also requires in addition to all this a clear and an earnest Arab position regarding the interests of the west in our country. Otherwise, there is no use.

[Question] Is the Arab position as precarious as the present stage is?

[Answer] To tell you the truth, the Arab position at the present stage is almost confined to the position of the oil countries. Begin would have continued his actions even if the United States had opposed him, as long as U.S. opposition did not amount to coercion. And here we have to observe what Philip Habib did in this crisis. We are noticing that Saudi Arabia played a principal role in stopping the Israeli raids. That is, the position was so critical that Saudi Arabia was forced to apply positive and firm pressure. It put all its weight [behind the situation] until it was able to change it. I am placing only this situation in front of all the Arab countries and in front of Arab officials so they would know that they are capable of taking action if they were to apply pressure. The next stages may change the kind of role [that Arabs will play] but not the role itself so that we can be taken seriously [in a manner] that would enable us to bring about change.

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CSO: 4304/146

INTER-ARAB AFFAIRS

BRIEFS

PALESTINIAN-ANGOLAN CONTACTS--The secretary general of the Arab People's Congress held a press conference at the Paris Hilton last Tuesday at noon in which he discussed the visit to Angola by "the delegation of the international secretariat for solidarity with the Arab people and with their central question, Palestine." The delegation had gone to Angola at the invitation of the Popular Front for the Liberation of Angola. According to the joint communique one of the most important accomplishments of the visit was the announcement that the Arab-African Conference would be convened to look into the crucial questions that are common to both parties. This would be done to establish "rapprochement and cooperation between the people of Africa and the Arab people in their struggle against imperialist intervention and control." The date for the conference was set for 6 December 1981 in Luanda. The communique affirmed that "the deteriorating and dangerous situation in the Middle East was the result of Camp David." The communique also condemned the new escalation of Israeli Zionist aggression against the people of Palestine, Lebanon, Syria and the Arab homeland; this aggression was supported by the Reagan administration." During the press conference al-Hamidi focused on the campaign that President Reagan's administration was waging against Libya. He said, "The clash between the two countries was inevitable. This was exactly what happened with Egypt early in the revolution when President 'Abd-al-Nasir tried to initiate a dialogue with the United States. But the United States refused that because it does not want to deal with sovereign nations." Then he said, "The U.S. campaign against Libya is setting the stage for aggressive action. There is much evidence [for this]. Among this evidence, or perhaps the most recent evidence of this, was the appointment of Ariel Sharon minister of defense for Israel. Last July the Libyan media announced that there was a plan for Egypt to invade Libya with U.S. and Israeli help. The Libyan media also spoke about Sharon's visit to the Egyptian-Libyan border area. Egypt then denied the news and said, 'What is the relationship between Sharon's agriculture and military action?'" Al-Hamidi said, "This is the new Israeli cabinet, and Sharon is the minister of war in that cabinet." [By Yasir 'Abd Rabbuh] [Text] [Paris AL-MUSTAQBAL in Arabic No 234, 15 Aug 81 p 17] 8592

CSO: 4304/146

NEWSMAN ANALYZES IMPRESSIONS OF TRIP TO WAR ZONE

Successes of Guerrilla Resistance

Paris LE MATIN in French 14 Sep 81 p 12

[Interview with Bernard-Henri Levy, by Jean Bothorel, date and place not specified]

[Text] Bernard-Henri Levy has just visited Pakistan and Afghanistan. Along with Marek Halter, Renzo Rossellini, and two French technicians, he brought the Afghans the first three transmitters for Radio Free Kabul.¹ On that occasion, and in that connection, he was able to meet refugees, combatants, guerrilla leaders, and leaders of exile political parties. He has confided in these interviews with LE MATIN his thoughts and observations inspired by those meetings and that trip. In this first interview, he describes the manner in which the Afghan resistance is organized. Tomorrow, he will analyze the Soviet presence in Kabul.

[Question] Last month you were in Afghanistan. What impression did you get of the resistance?

[Answer] A disastrous impression. Almost tragic. For I say, without either melodrama or complacency: today, 20 months after the invasion, in the midst of the overpowering indifference of the Western democracies, the resistance forces are close to coming to the end of their rope.

[Question] There is more and more talk of American arms shipments.

[Answer] Well, that is not true. It is increasingly untrue. That is adding impudence to indifference. Irresponsibility to a failure to help people who are in danger. For everyone in the region knows it: the guerrillas to this day have not received a single weapon, a single peashooter, a single cartridge from the West.

[Question] So who is arming them?

[Answer] Chance. Thin air. Or, if you prefer, the armies in the region. There is first of all the Red Army, the customary source of Kalachnikovs, rocket-launchers, sometimes even—but much more infrequently, alas!—RPG-7 machineguns.

Then there is the regular Afghan army, that formidable hodge-podge of deserters which supplies them with lighter arms, mortars, as well as RPK, PK, and PKS machineguns. Thirdly, there is the Pakistani army, or at the very least some of its elements who are not above parting with their excess Lee Enfield 303's and old colonial rifles, for a price to be sure.

There is also the Pakistani contraband market, where one can find practically any weapon in the world, from the 1939 Lebel magazine rifle, to the American M-740 anti-tank weapon, but at prices that are totally beyond the means of the average Mujahedin.

Then there are local munitions manufacturers, such as those at Dara, where one can purchase a Kalachnikov for only Pr 9,000, or a Sten gun for only 1,500, a hunting rifle for 2,000; but you have every chance of seeing it blow up in your hands after a few days of usage.

And, finally, with regard to "foreign aid," as it is called, nothing, I say nothing but a few convoys of AK-47 rifles delivered by Sadat last year; and doubtless also from Sadat, the half-dozen SAM-7's which arrived in Panchir early last summer.

There you have it. That is all. This list, I fear, is exhaustive. Which means all the rest is fantasy. The wild fantasies of journalists. Or deliberate falsification of the truth.

[Question] Are you not a little pessimistic?

[Answer] No. I am trying to be accurate. And above all realistic. For in the final analysis, so-and-so's good wishes matter little. What people always forget to say is that even if the arms were there, even if all the nations in the world were thronging to the gates, even if the resistance parties were rolling in dollars, there would still be a substantial obstacle: getting through Pakistani territory.

[Question] But the border has a reputation for being very "porous."

[Answer] That is another myth. For Islamabad is much too afraid of Soviet reprisals. It lives under the continual threat of separatist movements financed by the Kremlin. I have met with Pakistani officials, and they have told me straight out: impossible, without running major risks, to close our eyes to a blatant traffic....

[Question] In other words, if I am following you, the whole problem of arms for the resistance boils down to a transit problem....

[Answer] No, to a political problem. The key to which is Washington. But also, whether we like it or not, the key is also in our heads. In plain words: when will the American public, the international community, the enlightened self-interest of the West, perhaps, reach a point where Reagan will offer Zia a credible guarantee against any possible Soviet aggression? I have every reason to

believe there is no such guarantee at this time, and so long as there is not one, the resistance will be irretrievably strangled.

[Question] Let us continue to talk about the resistance: listening to you talk, one wonders how, under such conditions, it can even keep the war going.

[Answer] I have asked myself this question too. Today, I have the answer: the Afghans are not fighting a real war, they are fighting a phony war. They are fighting a war of attrition. They are fighting a tame war. Embellished with brief engagements and little skirmishes. Amply provided with ambushes and audacious surprise attacks. But once again we must confront the truth head-on: there are no operations of any great scope, no battles in the ordinary sense of the word.

[Question] You have examples?

[Answer] Better than that, I have a list. The list of their biggest, most spectacular operations in recent months. For example, if you look at the month of August, there is, on the 24th, in Panchir, the destruction in flight of an Mi-24 combat helicopter. And on the 10th, in Jaji, in Paktya province, 25 mortars and two 122 [-mm] artillery pieces were stopped on the main road.

If you take July, in Logar, you have three armored vehicles lying helpless in the cavity dug out under the surface of the asphalt by the Mujahedin of the region. And, on the 27th, on the border, a surprise attack against the border posts of Tchaperi and Danda Patan, which yielded several cases of munitions, about 50 AK-47 rifles, and some 12.7-mm machineguns.

And in June, finally, the record is nothing more, I think, than one MiG-21 shot down, on the 15th, in the little gorge of Torabora, in the heart of the Nigrahar valley. And, about 10 days earlier, at the approach to Kunduz airport, an unusually long skirmish at the end of which the freedom fighters had destroyed an attack tank and three small vehicles. In short, in 3 months--and even if this list cannot, of course, claim to be exhaustive--it all amounts to nothing more than a series of harassments. Continual pressure on the Soviet expeditionary corps. A climate of insecurity intentionally perpetuated in the various provinces. But, I repeat, and it cannot be repeated often enough: in the current condition of their forces, the Afghans cannot take the risk of the smallest frontal attack.

[Question] Is it only a question of "forces" as you say? Or is it not also a question, primarily, of lack of strategic planning and determination?

[Answer] Listen! It is true that all the actions I have just cited are isolated operations. It is certain that nowhere is there any big headquarters or omniscient center for planning and coordinating. This dispersion, this autonomy, this near-haphazardness of blind actions, is in fact one of the things to which the Mudjahedin are most thoroughly committed. But that does not mean that they have abandoned strategic planning: it simply means that, in the concrete realities of the war they are fighting, strictly local strategies are the only ones possible.²

[Question] Can you be specific? How are things organized and actually decided?

[Answer] The basic military unit, so to speak, is the valley. As the leader of each valley there is a "commander," who is in charge of several dozen, perhaps a hundred guerrillas. Whether a traditional leader, a former teacher, an officer who has deserted, or a village chief, he is above all distinguished by exceptional bravura. But what is important to note is that even if some of them--such as Amin Wardak in Wardak, Anwar Khan in Nouristan, or Mohammad Assef in the Torabora valley--have acquired almost international notoriety, their authority on the ground is never broader than the territory embraced by one group of villages.

[Question] Nevertheless, this creates serious problems?

[Answer] I agree it is surprising. One is a little perplexed to see a "national liberation war" in which no one ever speaks of the Afghan "nation." We ourselves found it very hard to get our friends from Radio Free Afghanistan to see the political usefulness of broadcasts aimed at Kabul, the capital. But at bottom, everything considered, I think that the Afghans are not completely mistaken when they explain how, in Afghanistan, their strength is in their disunity.

[Question] Is this a paradox?

[Answer] Let us say that the Russians are grinding their teeth over this paradox. This is what generates the formidable resistance by inertia of the entire civilian population. Do you realize that it is in the tribal regions of the south that the resistance is most determined, while by contrast, the detribalized zones in the north seem most permeable to Soviet propaganda?

[Question] What is certain, on the other hand, is that it is difficult to see how the resistance could unite on such a basis.

[Answer] No, that is not so certain either. For what strikes me personally, to the contrary, is that such unity as has been achieved to date is built precisely on such a basis. I am thinking of the unification of the Nouristan command last year. And then, a little later, the unification of the Hazaradjat commands. Even this year, closer and closer contacts between the commands of the two provinces. Better, and more recently still, I am thinking of the ties that now link both of them with the commands in Kunar and the Kandahar region.

[Question] If I understand you, it is unity from the base, rather than from the summit.

[Answer] To some extent it is that. But it is a little more than that. For what, by the same token, undoes that analysis is that very Resistance Party which, everywhere else, is forever claiming hegemony: that never-ceasing National Liberation Front, already filled with being like a state and with the disruptive intentions espoused by most guerrilla wars--those institutions, plans and projects for society which have been dear to the hearts of our Third Worlders since the 1960's, and for which one looks in vain in the war of the Afghan peasants.³

[Question] Do the freedom fighters have some idea about the type of society they want to see established after the departure of the Soviets?

[Answer] In a word, no. The very question makes no sense to their minds. If you ask one of them, he will give you a strange look. He will not really understand where you are coming from. He will answer that quite obviously the only kind of society he knows is the one in which he was brought up. In short, the thought will not occur to him of describing to you one of those dazzling "new worlds" which, often to their misfortune, have infatuated so many revolutionaries before him.

[Question] Are you not afraid of idealizing the resistance? And thereby of repeating errors of the past?

[Answer] To the contrary. I would like for people to understand, above all, that this is the first time in a long time that an insurrection of this type presents none of the classical symptoms of the totalitarian virus; that nothing in it bespeaks, at least for the time being, a new "order," a reign of terror, or future despotism; that in the few liberated zones, the first, and quite often the only social innovation is to loosen the hold of the institutions of government and traditional authority. Do you know what the Afghans call the "liberated zones"? The word is very beautiful: they say simply, /"Dja-ke kokoumat nist,"/ which literally means, "places where there is no government."

FOOTNOTES

1. To enable Radio Free Kabul to continue, send your donations to the Committee on Human Rights, 152 Rue du Chateau, 75015 Paris.
2. On this point, and many others, see the absolutely indispensable book by Gerard Chaliand, "Report on the Afghan Resistance," published by Berger-Levrault, 1981.
3. This is the title of an article by Olivier Roy which appeared in the review REVOLTES LOGIQUES, which inspired much of the above.

Problems of Soviet Occupation

Paris LE MATIN in French 15 Sep 81 p 12

[Interview with Bernard Henri-Levy, by Jean Bothorel, date and place not specified]

[Text] On his return from a visit to Pakistan and Afghanistan, Bernard Henri-Levy yesterday gave LE MATIN a first interview in which he described the way the Afghan resistance is organized. In this second article, he analyzes the Soviet presence in Kabul, and comes to this conclusion: "This is nothing like the American strategy in Vietnam... As opposed to any method of anti-guerrilla warfare known to this day..."

this Soviet army is moving in to stay, in a slow and painstaking effort that gambles on the long-term: in short, one based on calculations that could rightfully be described as "dialectical."

[Question] In your opinion, but from the Soviet perspective this time, what is the track record of the Afghanistan intervention?

[Answer] That depends on one's point of view. From a purely military standpoint, it is plain and clear: the Red Army, at this very moment, has failed in Afghanistan.

[Question] Despite the weaknesses and divisions within the resistance?

[Answer] Yes, despite them. Or perhaps, as I suggested yesterday, because of them. A regular army, everyone knows, is powerless to put down a dispersed, amorphous, elusive guerrilla movement.

[Question] The Soviets are occupying the country.

[Answer] They occupy it on paper. They occupy the seven or eight "military districts," which they have abstractly and arbitrarily mapped out. They occupy the garrisons, the cantonments, where their 80,000 soldiers are stationed. Yes, technically they have occupied, and at what cost!, most of the cities, the airports, and the bigger roads. But with regard to everything else--not at all. A scattered, phantom presence. A few collections of mud-walled military huts called "border posts." And immense mountains where I can assure you it is not good to venture if one has the uniform--or the face--of an "accursed chourawi."

[Question] But the press regularly reports on major offensives.

[Answer] They do occur, to be sure. In Kunar, last year. In the Kandahar region, last spring. Near the posts of Asmar and Barikot just a few weeks before we were there. And, just recently, on the borders of the Panchir valley. But these operations, with all they entail in the way of force deployment, instruments of war, and big conventional hardware, are much more unusual than the press tends to think.

[Question] Because they are ineffective?

[Answer] Yes, perhaps. But also, much more simply, because the Soviets are not properly equipped. Imagine their attack tanks at 3,000 meters altitude in the hills of the Hindu Kush! Their Mi-24 combat helicopters whirring over the valleys while the Afghan look-outs, perched on the ridges, shoot at them like rabbits! Even their infantry, trained to fight on the mountaintops alongside their helicopter-carried tanks, like the one at Asmar on 4 July.

[Question] I imagine they also have units specially trained in antiguerrilla warfare?

[Answer] That is of course what one would think. It is only logical, a priori. And yet, would you believe that the answer is no: it was not until last June, after 18 months of semi-victories and semi-reverses, of phony war and trampling underfoot, that the decision was made to send their first—and, to date, their only—antiguerrilla division to Kundunz.

[Question] In other words, the expeditionary force is to your way of thinking poorly adapted to the situation it found on the ground?

[Answer] "Poorly adapted" is an understatement. I would prefer the word "grotesque." Exorbitant. Almost surreal. Do you realize it came with Frog and Scud surface-to-surface missiles? That in the face of a resistance movement armed with knives and old rifles, it saw fit to bring in a virtual panoply of anti-aircraft defenses? That half of its attack tanks are virtually incapable of the most minimal maneuvering outside the garrison zones? And I am not even touching on the morale of the troops, of those MiG pilots who, according to guerrillas in the bush, hardly follow their orders and no longer dare to swoop too low in the valleys; those bewildered soldiers, stupefied with fright, who are sent to scour a mountain with a helicopter at their back; soldiers on leave that one finds in the bazaars swapping their boots, their fur-lined helmets, a jerry-can of gasoline, or even their Kalachnikov, for a little hashish. All the accounts I have collected agree: the splendid Red Army, in its first foray into the outside world since World War II, has not set a brilliant example, either of style, or discipline, or strategic foresight.

[Question] The climate you describe could in some respects perhaps be compared with that which prevailed in American ranks during the latter part of the Vietnam War.

[Answer] Yes, but with one fairly significant exception: I think the Americans in Vietnam were for better or for worse trying to achieve the military pacification of the country. Whereas here it is as if the Soviets are doing everything possible, for reasons still to be explained, to give up on this pacification. They are not really giving battle. They do not directly confront the freedom fighters, face to face.

[Question] Are you serious?

[Answer] I could not be more serious. It is the only possible explanation for all these bizarre and strange actions. It is the only way to explain why such serious people would be satisfied with an 80,000-man expeditionary force when, as all the experts know, it would take at least 500,000. I cannot see why, without that, without this choice, without this decision not to give battle, the strongest army in the world would in the final analysis so easily agree to accept ridicule in the eyes of the world.

Let us assume the contrary, for the sake of argument. Everything indicates the Soviets have pondered the lessons of Vietnam. They have understood the fact that they too would never be able to overcome broad popular resistance purely by military means. So, not being crazy, but in fact rather clever, they looked for—and

found--a much simpler solution, a solution much more economical and likely to succeed, to achieve the same objective.

[Question] And what is that solution?

[Answer] It was the same kind of thinking as that noted in the lamented Comrade Giap's greatest disciple. Specifically, it comes from the famous adage that the guerrilla in the bush is like fish in water. And it says quite simply: instead of wearing oneself out, like those imbecile Americans, going fishing, it is much easier simply to drain the water from the lake, and likewise from the bush.

[Question] Concretely?

[Answer] Concretely, first of all, there are vast efforts to entice people [to support the government]: millions of shawls distributed this year to the Mohmand tribes in the Kumar, the Chinvari in the Nangrahar, the Mangal and Jergi in the Paktya. Or again, on a different level, the efforts made to fashion a new para-governmental party of which the European press has hardly spoken, which calls itself the National Fatherland Front.

Then, if that is not enough, they move on to intimidation, overflying villages in the Mi-24 helicopters, those "dogs of war" intended to terrorize the population and force them to flee. Or again, the distribution of menacing tracts, as in Kandahar before summer came, which promised the civilian population it would incur the unmitigated wrath of the Soviets if it dared support the "groups of bandits and counter-revolutionaries."

And then, if that is still not enough, the next step is simply to strangle the villages: the wells are poisoned; the canal around which the village life is organized is blocked or diverted; in Panchir, at the narrowest point in the valley, they have even gone so far as to build a great concrete barrier 5 miles wide to isolate it from the rest of the world.

In every case, as you see, the result is the same. It is a question of creating refugees, of turning whole regions into deserts, or cutting the freedom fighters off from their base of support, of putting continual pressure on the Afghan peasants to withdraw their support from the resistance. In short, an indirect strategy which, while carefully avoiding hunting out the guerrillas in the wilderness, concentrates all its efforts on the civilian population.*

[Question] What, then, are the chances for this strategy to succeed?

[Answer] By itself, as such, I do not think it would have any chance of working. But the stroke of genius on the part of the Soviets was having married it to another, even more diabolical, because it seems on the surface to be more "positive": moving little by little to integrate Afghanistan--fundamentally, durably, and structurally--into Soviet territory.

*On this subject see the remarkable analysis by Jean-Jose Puig, interviewed by Pierre Rigoulet in LES TEMPS MODERNES last June.

Thus, for example, last June the Kabul government—that is to say, the Kremlin,—created a "ministry of tribes and nationalities," whose name alone is enough to indicate both the style and the underlying idea: to apply to the Pachtuns, the Tadjik people of the north, and the communities in Nouristan and Hazardjat, the tried and true Stalinist procedure for dealing with "non-Russian nationalities."

In the same way, during my visit to the region, a big daily newspaper in the capital published a comparative analysis of Afghanistan in the 1980's and the Soviet republics of Central Asia in the 1920's, with—once again—a very clear conclusion: the "Arbabas," or today's Afghans; the powerful "water-masters" of the village are the Uzbek "waterlords" of yesteryear; the "feudal vassals" of Kunar are the exact replica of those of Kazakhstan; all that is needed, in other words, is to dust off the files on the pacification of the Muslim peoples of the USSR.

And this above all is why the Soviets are lavishing their efforts on their money so unstintingly to put the country on the track of modernization. This is why they are working so quickly to finish the six hydro-electric stations in the Kabul region, for example, or the Kalagay dam to be built over the Kunduz. This is why they are working so hard to begin exploitation of the iron reserves at Hajikak, the copper mines at Ainal, the superb canning works put in place by the Bulgarian government, and the flashy new brick-works provided by other "fraternal countries." This is why, finally, they are working so hard to improve the roads, get the factories running again, enlarge the airports of Bagran, Khwaja Rawash, Kandahar, Shindand, Kunduz, Mazar-i-Sharif, Herat, Maimana, and Djelalabad—the least one can say for all these big public works projects is that they do not augur an imminent withdrawal.

[Question] These projects, these plants, were not all started after the invasion.

[Answer] Certainly not. But what is interesting is that they have been maintained. And others, more and more of them, have been added. And in the midst of a war in Afghanistan, in the midst of fire and blood as the expression goes, the Soviets seem to have nothing more urgent to do than to build factories, dig quarries, and build airports.

And here, you will agree, is something quite different from the American strategy in Vietnam. A thousand leagues removed from some banal enterprise of military pacification. The exact opposite of all antiguerrilla warfare methods known to this day. And, what we seem to see there, is an infinitely more cunning army, which is building in concrete, which is working on structure, which is betting on the long-term: in short, its strategy could rightfully be described as "dialectical."

What I mean by that is that probably in the minds of the Soviet leaders—whether consciously or not—is the idea that to subdue Afghanistan, it will have to be given heavy industry. Its agriculture will have to be collectivized. The countryside will have to be urbanized. To the degree possible, it will even have to be given a "turn-key" proletariat. In plain language, this is called Leninism. More precisely, a rather orthodox Marxist approach.

We have been discussing the Soviet strategy in Kabul now for an hour: I think that in truth there is only one Soviet strategy—namely, without beating around the bush, to build socialism there.

RELIGIOUS MOTIVATION OF HOLY WAR DISCUSSED

Munich SUEDEDEUTSCHE ZEITUNG in German No 22, 28 Sep 81 p 3

[Report by Correspondent Olaf Ihlau: "A Hydra in the Holy War"]

[Text] Peshawar, September—His index finger raised high, his voice breaking with emotion, the young guerilla fighter standing on a podium covered with green cloth cries out: Allah is great! A 1000-throated echo of "Allah is great!" resounds through the Mahabab-Khan mosque on whose marble floor the delegates of the five largest Afghan resistance groups are crouched in the intense heat. A handful of guerillas, posted as guards, in the recesses of the mosque, make a show of handling their captured Kalashnikovs. "Afghanistan is the symbol of the revolution of Islam," the speaker shouts into the microphones as the mosque built by extravagant Shah Jahan reverberates with the sounds of enraptured agreement: 'Allah is great!'

21 months after the Soviet military intervention, the fragmented and disunited Afghan resistance groups are making a renewed attempt in their Pakistani exile to join together in a common fighting organization under a joint command. This is their fifth try; but it is also the most likely to succeed, because this time Gulbuddin Hekmatyar has joined in. He is the head of the extreme fundamentalist, tightly organized, battle-tested "Hezbi Islami," which thus far had boycotted all attempts at alliance by insisting on sole representation. Motionless, with an inward, ascetic look about him, the 34 year-old engineer is sitting in the very center of the mosque. Hekmatyar, wearing a brown sheepskin cap, has a long finely chiseled face, framed by a long black beard. His melancholy eyes have a faraway look; they seem not to register the waves of emotion eddying all around him.

Pressure from Mecca

The man with the blue turban next to Hekmatyar also is at pains to put on a dispassionate air. The night before one of Mawlawi Mohammed Nabi Mohammedi's political advisers had thought it "highly unlikely" that he would have his comparatively moderate "Harakat" movement join the new alliance dominated by the fundamentalists. But now, to everyone's surprise, the 60 year-old mullah from Logar province is ready to join in signing the communique on the "Islamic unity of the Afghan religious warriors." Somewhat sheepishly, the adviser now admits that the change of heart was brought on by "outside pressure," pointing to the resolution adopted by the Islamic League at its recent meeting in Mecca which called on the Afghan Mudjaheddin to take "immediate steps to establish unity."

Removing his sand-colored turban and wiping the perspiration off his face, still another guerilla leader takes his place on the floor beside Mohammedi. It is Maulwi Younis Chalis, the head of a "Hezbi Islami" splinter group who has just elicited new waves of applause from the audience with a fiery speech of his own. He is the only partisan chief among the groups operating from Pakistan's North-west Province who still personally takes part in the battles against the Babrak Kamal government and the Russian occupiers. In his speech, the 61 year-old former teacher Chalis, just returned from Nangarhar province, told the assembled Mudjaheddin: "The Russkis are in hiding and their overlords, the godless devils from the north, are afraid of us. We are advancing on all fronts." With his shaved head and white, shaggy beard, a cartridge belt draped around his chest, Younis Chalis might well have been the model for Charles Miller, the writer, who described the wild animal look of the Pathan warrior thus in his book "Khyber:" "The eyes of a hawk; the nose of a vulture; the mouth of a shark."

Five of the six largest groups among the two dozen Moslem guerilla organizations are represented at the Mahabab-Khan mosque. Among them is the "Jamiat Islami" led by Burhanuddin Rabani, a lawyer, whose fighters are presently bearing the brunt of defending against a renewed Soviet assault in the Panshir valley. Acting against the wishes of their chairman, theologian Sibghatullah Mujadeddi, who is in the United States at present, several prominent members of "Jabha Nejate Milli" have come to the meeting, since they feel they can no longer resist the movement toward unity. The only major group not represented is the "National Islamic Front" led by Sayed Ahmed Gailani, a pro-royalist feudal lord from Jalalabad, who is a Sufi "pir" regarding himself a direct descendant of the prophet Mohammed.

Until now, joint actions by the resistance groups had run afoul of religious and ideological differences, personal rivalries and petty jealousy. Only last March, the "Islamic Alliance for the Liberation of Afghanistan," created at the urging of the Moslem League in early 1980 had broken up with a bang and a flood of mutual recrimination. Some of the groups attacked each other like mortal enemies; in some instances, shots were exchanged instead of verbal arguments. Roughly speaking, the Afghan Mudjaheddin were split up into two camps— a religious fundamentalist camp and a more traditionally national camp with a secular cast to it.

The hard core of the fundamentalist bloc is Hekmatyar's "Hezbi Islami" which takes its cue from the Iranian revolution, wishing to establish a "state based on Islam and run by a purely Islamic government." Even in the early seventies, Hekmatyar and Rabani were fighting against the "Westernization" of Afghanistan as well as the growing Soviet influence. In July 1975, they started a revolt in the Panshir valley against the Daud regime which had been a symbol of the land-owning aristocracy and the upper middle classes and which had seized power from Daud's brother-in-law, King Zahir Shah, while the latter was convalescing in Italy two years earlier. The man who had been behind the scenes was the then Pakistani prime minister Zulfikar Ali Bhutto. He took in Hekmatyar who fled to Peshawar and had provided weapons to the guerillas in order to put pressure on Daud concerning the Pushtunistan issue— which he succeeded in doing. But when Bhutto, Daud and

the Shah of Iran agreed on closer cooperation in 1976, Hekmatyar was forced to take a back seat. Only after Bhutto was deposed in July 1977 and even more so after the Communist coup that removed Daud in April 1978, the stock of "Hezbi Islami" began to climb once again.

The derogatory epithet given to the Moslem fundamentalists by their enemies, the moderate traditionalists, is "akhwanis" —brothers— to allude to their ties to the underground network of the Moslem Brotherhood. Pro-western Gailani, who suffers from a Napoleon complex, is the most influential spokesman of the moderates most of whom have turned their backs on Afghanistan following the loss of their privileges and real property. According to the official biography put out by "Mahaz Inqilab Islami," it was not until May 1979 that Gailani declared a "holy war" against the revolutionary rulers in Kabul "in order to liberate the people from the yoke of the atheistic regime."

"Pir" Gailani is able to draw on powerful sources for funds in Saudi Arabia, Egypt and Iraq. A trip to Western Europe and America also opened up important government contacts to him last spring. He is furthermore said to be in touch with the 68 year-old former king now living in exile in Rome. But that claim is made by other resistance groups as well, even according to Amin Wakman's rather insignificant "social democratic" party. As for the fundamentalists, Zahir Shah makes them see red; they accuse him of having carried on a suicidal flirtation with the Russians while in power and of having allowed the Afghan communists to rise.

Thus, the first communique issued by the new "alliance" established under the aegis of the fundamentalists contains some anti-royalist, anti-bourgeois language. There are those who would now wish to appear before the world as the "leaders" of Afghanistan once again "who were sitting in their houses safe and sound, drinking alcoholic beverages, promoting prostitution and corruption among the people while the religious warriors were risking their lives and were being chased from their native land." It does not take much imagination to visualize the battles and feuds to the death that these groups would engage in once a power struggle broke out, if the Soviets and their underlings were ever forced to leave Kabul.

Captured Weapons

But things have not progressed to that point, even if the pressure exerted by the Mudjaheddin against the regime of Babrak Kamal did increase further during the summer months. Aside from a lack of ground-to-air missiles and anti-aircraft grenade launchers with which to counter the dreaded Russian helicopter gunships, the rebels appear to have enough weapons. Official word is that their needs are taken care of with Soviet booty or with equipment from the stores of the Afghan government troops, which are said to be in a state of disarray. But that is only half the story. For several months now, more than 200 West German and Italian-built, orange-colored container trucks are constantly shuttling between the port of Karachi and Peshawar along the old Moghul trunk road. Operated by the army-run transport agency "National Logistic Cell" (NLC), they are charged with supplying

the border province with food, but also with the latest weapons which have been brought in with Arab, American and Chinese help. According to reliable sources, Pakistani officers then are responsible for distributing these weapons and shipping them onward to the six major Afghan resistance groups.

Despite all the efforts to attain unity, it has thus far proved impossible to establish a unified command to coordinate the actions of the Afghan rebels. Instead, the Mudjaheddin resemble a hydra in their conduct of the holy war against the Soviets—the advantage being that severing one head cannot put an end to the many-headed opposition movement. The announcement of the new alliance should have little effect on this practice. "Where and when I will commit my 40,000 fighters is something I alone decide," says Younis Chalis at an evening meal of mutton and rice in the garden of his Pathan fort near Peshawar. He has few illusions regarding the effectiveness of the planned "rotating leadership" of the coalition or the resolution of differences. "We want freedom for Afghanistan; Hekmatyar wants to attain power," Chalis says as he and his two sons get ready to march back to the frontier. Terrorist squads belonging to his organization have recently carried out successful attacks in Kabul itself. News of this sort fill him with great satisfaction. "We need more fighters like that," he says with blazing eyes. "Here in Peshawar, there is far too much talk."

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NEW BUDGET DESIGNED TO IMPROVE ECONOMIC ORDER

Tehran KEYHAN in Persian 29 Aug 81 p 13

[Interview with Dr Mohammad Taqi Banki, advisory minister and chief of Plan and Budget Organization: "The compiling of the 16 [21 March 82-20 Mar 83] Budget is based on production. Iran is continuously in confrontation with Imperialism."]

[Text] The basic emphasis in preparing the 1361 [21 Mar 82-20 Mar 83] budget is based upon Iran continuously being in confrontation with Imperialism and the steps being taken towards self-sufficiency in all areas.

This issue was announced by Dr Mohammad Taqi Banki, advisory minister and chief of the Plan and Budget Organization.

He first said, "We are determined with reliance on God, and the boundless and infinite power of the people, who raise martyrs and self-sacrificing fighters, to build a complete Islamic society, a society whose relations and organization is based on divine intentions. To establish the economic, administrative and political order in such a manner, so it can be used as an example, and witnessed by other oppressed nations. To move towards such a society we should bear in mind the following few points;

1. Our desired economic and social order must be based on such compilation and strength that no obstacle or barrier prevents us from reaching our exalted goals.
2. In this order the aim is not economic, and the evaluation of affairs should not be based on economic output in such a manner that it surpasses the growth and elevation of the human society.
3. Execution and compilation of this order must be in complete harmony with each other, so that the economic order is in a position to facilitate and accelerate the social movement of our nation towards its ideal ideological thought.
4. The economic relations in this order must be in such a way as to abolish and annihilate human domination of other humans.
5. This order must work in a way that not only suppresses extravagant materialistic desires, which cause human nature to deviate, but which considers human nature to promote further spiritual generosity and forgiveness.

He then added: To reach such a desirable aspiration, we are faced with detestable realities which make our move difficult. He said: From one side we are faced with world Imperialism, which under the leadership of the Great Satan is busy sucking the blood of the oppressed people of the world and from the other side, we have inherited the rootless economic order of the previous regime. This bankrupt economics has the following unique aspects:

1. The country's industries are assembly-oriented and are affiliated, and in fact, facilitate the industrial products of the West.
2. Agriculture and animal husbandry, due to the execution of wrong and traitorous policies have lost their self-sufficiency and have become dependent.
3. The share of development and industrial investment to total net national income, compared with the general services sector is very small and basically is not able to absorb the same amount.
4. The output of the non-productive branches and semi-productive branches, such as construction and city services have risen disproportionately in comparison with the output of productive branches and have caused unreasonable migration and increased those living on the fringe of the city and slums.
5. The decrease of industrial production even considering assembly-oriented production is noticable after the victory of the revolution. The increase in imports, and the flourishing of trade has created middlemen, brokers, and hoarders and resulted in absorbing human resources in ever increasing trade activities. Because of the enormous profit of the trade dealing the interest in productive investment has reached almost zero.
6. Incorrect banking operations and the shift of capital towards non-productive activities has resulted in inflation and financial loss to society and decreased the purchasing power of the oppressed.
7. Lack of a strong and secure foundation whose growth would provide self-sufficiency and industrial independence within 15 years.

He added that we are planning to increase the competency and efficiency of the Plan and Budget Organization through the continuous refinement of human resources, and try to absorb and train the resources of the masses, in order to pursue community planning. With regard to the necessity of preparing and compiling a comprehensive and harmonious plan, contrary to the previous manner, the Plan and Budget Organization, in order to prepare the 1361 [21 Mar 82-20 Mar 83] budget has started the preliminary preparation for composing the budgetary and related circulars, and explanatory reports have been prepared for the Prime Minister's signature.

Dr Banki then added: The main emphasis in preparing the 1361 budget is that Iran is constantly confronting imperialism and is determined to take steps towards self-sufficiency in all aspects, especially in foodstuffs and the defense industry. Also, in preparing the 1361 budget, the basic stress is to change the course of the current budget to the productive and job creating and to convert unproductive activities to productive ones. In steadfast, development and fundamental productive investments, the job creating, high output, and independent investments have priority.

Brother Banki concluded that in preparing and compiling and planning the budget, the participation of active and positive people in all phases has special importance. The fundamental emphasis in regional planning is based on active participation of the masses and efforts will be made to renew and strengthen the provinces plan and budget organizations in order to have minimally qualified and responsible staff. He said, one of the intended plans is to activate supervision in all the projects. This supervision will be carried out by units who are responsible for following up the project.

He then added: The Secretariat of the Economic Council will be revived in order for the experts to study the proposed projects of the economic council closely before hand, so that the project will be rich in its content, and be in accordance with all the country's economic and social problems when presented for approval.

Dr Banki, the advisory minister and chief of the Plan and Budget Organization, in regard to agriculture said: In agriculture our basic reliance is on self-sufficiency in basic products, and in this regard we try to prepare and introduce projects to the farmers and tribes. In connection with the just and timely distribution of needed products, we try to furnish the products needed to the real farmers and cattle raisers.

Finally he said: About commerce and industry, with special stress on articles 44 and 49 of the Constitution, efforts will be made to renew the studies and the plans and projects, and the activities of that ministry, in addition to fulfilling the general basic needs and planning will be based on independence and self-sufficiency. In principal industries, management needs will be strengthened in order to increase output.

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CSO: 4640/98

BUDGET APPROVED FOR EILAM PROVINCE

Tehran PARS ASSOCIATES LEGAL INFORMATION SERVICE in English 26 Sep 81 p 2

[Text] The Planning Committee for the Province of Eilam approved a budget of 8 billion and 838 million rials for the current year for the province of Eilam.

At the meeting of the Planning Committee, the total budget for Eilam was declared to be 8,838,512,000 rials. Five billion, 73 million and 512 thousand rials has been allocated to the current budget of the province out of which 2,742,000,000 rials has been allocated to education, 980,000,000 rials for medical treatment and hygiene activities and the remaining 26% for ten executive bodies of the province.

3,765,000,000 rials has been allocated to be spent on development activities out of which 900,000,000 rials is for constructing rural roads, 730,000,000 rials for development and education, 552,000,000 rials for hygiene and medical treatment 400 million rials for development of cities, 230,000,000 rials for rural services, 130,000,000 rials for physical training, 130,000,000 rials for potable water and sewage and 80,000,000 rials for industries.

CSO: 4600/64

DEVELOPMENT PROJECTS SLATED FOR KERMANSHAHAN PROVINCE

Tehran PARS ASSOCIATES LEGAL INFORMATION SERVICE in English 26 Sep 81 pp 1-2

[Text] Kermanshah--In a meeting held at the governorate of Kermanshahan the progress of various projects carried out by the government in the province of Kermanshahan was discussed.

Engineer Eshkan, chief of the Plan and Budget Department of the Kermanshahan province disclosed that in the current year plans are implemented with a budget of 5 billion and 106 million rials to develop the province. He then declared the list of credits and types of plans being implemented as follows:

Construction and development of rural roads and bridges, 50 million rials; Kermanshah airport development project, 35 million rials; maintenance and repair of roads, 200 million rials; construction and development of by-roads, 350 million rials; rural technical aids, 250 million rials; development of rural industries, 250 million rials; creating sewage systems for cities, 100 million rials; creating and developing potable water systems in cities, 250 million rials; development of agricultural irrigation, 600 million rials; development of cooperative companies and other farming activities, 125 million rials; agricultural and animal husbandry activities of the province, 500 million rials; creation of agro-industry units, development of agriculture and animal husbandry, 35 million rials; maintenance and appropriation of natural resources, 30 million rials; rural services, 60 million rials; creation of civic amenities, 150 million rials; city transport, 100 million rials; security installations of cities, 500 million rials; sports complexes, 12 million rials; creation of sports stadiums, 75 million rials; scouting buildings, 5 million rials; welfare services, 75 million rials; pipe-laying in villages, 200 million rials; city medical treatment services, 350 million; village medical treatment services, 75 million rials; hygiene services, 125 million rials; improvement of hygiene, medical treatment and nutrition, 750 million rials; creation of schools at various levels and kindergartens, 335 million rials as well as 17 million rials for civil constructions.

CSO: 4600/64

PROFIT RATES PUBLISHED FOR LOCAL MANUFACTURES

Tehran PARS ASSOCIATES LEGAL INFORMATION SERVICE in English 26 Sep 81 pp 3-4

[Text] According to Clause 5 of Paragraph 1 of the minutes of the meeting dated 9/2/60 of the shareholders of the Consumers and Producers Protection Organization the percentage of profit of locally manufactured products shall be as follows until further notice:

<u>Type of Industry</u>	<u>Percentage of Profit</u>
1--Basic human foodstuffs (vegetable oil, sugar, glucose, etc.)	18-20%
2--Canned foodstuffs	15-18%
3--Non-basic human foodstuffs (biscuits, chocolates, etc.)	12-15%
4--Non-basic human foodstuffs (non-alcoholic beverages, etc.)	10%
5--Foodstuffs for cattle and birds	15-18%
6--Pharmaceutical products for human use	15-18%
7--Pharmaceutical products for cattle and birds	15-18%
8--Poisons for pests, chemical fertilizers, sulphates	18-20%
9--Metal hot and cold beams (iron beams for buildings, pipes, bars, etc.)	10%
10--Profile cutting (building profiles, pipes, etc.)	12-14%
11--Electroplating	18-20%
12--Miscellaneous metal products (locks, hinges, razors, nuts and bolts, etc.)	14-16%
13--Metal household equipment (gas stove, heater, water cooler, water heater, gas cylinder, office equipment, etc.)	14-16%
14--Basic electrical household equipment (switches, lamps, fans, refrigerators, etc.)	15-18%
15--Non-basic electrical household equipment (rice cooker, vacuum cleaner, washing machine, etc.)	12-15%
16--Electronic household equipment (radio, TV, tape-recorder, etc.)	14-16%
17--Electric and electronic industries (cable, high-tension transformers, electromotors, communication equipment, etc.)	15-17%
18--Measuring equipment (watches, water-meters, electricity meters, scales, etc.)	15-17%
19--Automotives (trucks, vanettes, bus, minibus, bicycles, motor-cycles, rail wagons, etc.)	14-15%
20--Automotives (passenger car)	10-12%

IMPORTERS WARNED TO REPORT SALE OF IMPORTS

Tehran PARS ASSOCIATES LEGAL INFORMATION SERVICE in English 26 Sep 81 p 3

[Text] The Consumers and Producers Protection Organization in its letter No. 10248 dated 15/6/60 has notified the text of notice No. J-1034 dated 10/6/60 of Public Prosecutor for Guilds Affairs of Tehran, which is reproduced below for the information of our clients:

"All importers are hereby notified that they are under obligation to submit their documents before the sale of the imported goods to the Consumers and Producers Protection Organization and/or Departments General of Commerce in the provinces for the fixing of prices and obtain sales prices.

Importers who violate the above order and fail to produce their papers and documents in due time and before the fixing of price of imported goods proceed with its sale, shall be strictly prosecuted and their Commercial Card shall be cancelled."

CSO: 4600/64

RICE PLAN SEEKS TO INCREASE PRODUCTION, DISTRIBUTION

Tehran KEYHAN in Persian 9 Sep 81 p 6

[Text] Concerning the fair distribution of the country's rice production and the circumstances of the purchase of this product from rice growers, a project has been presented by one of the rice experts.

Since the fair distribution and stabilization of the prices of agricultural products, including rice is one of the important economic plans of the country's policy makers, the economic section of KEYHAN has printed this project.

Implementating the Project

The purpose for implementing this project is to curtail the hands of the middleman, usurers, and hoarders in rice dealings, the protection of the products of the rice grower, prevention of delays in supplying and securing rice crops, consumer protection by stabilizing the price of rice, and supervision and control of the purchase and distribution of rice in the country. To achieve this goal, it is essential to have knowledge of the area, to be familiar with rice products and the ways of its preparation and other matters.

Knowledge of the Area

As we know the largest area of rice fields and rice products is first Gilan Province then Mazandaran followed by Gorgan and other areas of the country. The Gilan rice crop has more variety, and is of better quality and is more abundant. For this reason, the Gilan rice must be priced differently. The difference of 10 rials per kilo of first grade Gilan-Mazandran rice is truly an injustice to Gilan farmers since at present time the difference of the price of First Grade Sadri rice of Mazandaran (Mesbah Amol) with first grade Gilan rice (Dom Siah rice of Luseh Kola) is more than 50 rials per kilo in the market. On the other hand, since Gilan has different varieties of rice with different qualities (cooking, size, color, odor, and flavor) and each of these varieties is grown in a specific area, we study the Gilan rice crop from the Mazandaran border and take a brief glance at its final product.

Mazandaran does not have the variety of Gilan rice, and the rice grown in this area is mostly homogeneous and unmixed.

A. Kolachay, Mahmudabad, Rudsar, Tarom and their territories--Most of the rice of these areas are long grain rice (Dom Siah and long grain Sadri). The towns outside of Gilan are mostly the customers of the rice of this area.

- B. Langarud, Lahijan and their territories--The rice crop of this area is not as good as that of Rudsar and Kolachay.
- C. Astaneh Ashrafiyeh and its territories--The rice of Astaneh Ashrafiyeh is of better quality than Lahijan and Langarud and sometimes is longer and shinier. The famous long rice (Dom Siah) of Gilan (Luseh Kola) is the product of one of the Astaneh villages.
- D. Lolan's suburbs--Kuchesfahan, Lasht Nesha' and its surrounding villages--The rice of these areas is worse than the Astaneh rice but better than the Lahijan and Langarud rice.
- E. Rasht, Khoman, Sangar and Shataji and its suburbs which are known as "Movazi" have rice like Kuchesfahan and Lashtnesha. The Shaft crop is approximately like Movazi rice and in some instances a little better.
- F. Foman--Foman has two kinds of rice. Southern Foman (meaning the areas of Gasht and Maklavan) has better rice than northern Foman (meaning Koldeh and Gol Afzan).
- G. Sum'eh Sara and Tavalom--The rice of this area is the worst and is close to the rice of north Foman.
- H. Masal and Shandazman--These are two towns of Sum'eh Sara area, which have better quality rice. The people of northern Foman, Sum'eh Sara, Masal and Shandarman offer their rice crops to the market in the form of unprocessed rice. The local Saturday and Monday bazaar held in Masal and Shandarman are the main centers for the unprocessed rice trade. The buyers of different areas of Gilan purchase this rice, and after polishing the unprocessed rice, mix it with other rice and present it to the market. In recent years the big merchants were not purchasing the unprocessed rice and the purchase was done by wholesale dealers.
- I. Tavaleshand Astara--The rice crop of these areas is mainly known as "Hasi rice" which was previously called "Akeleh and Gharibeh." This variety is very good in cooking and flavor, but has few outside customers and mostly is consumed by the locals who are familiar with it.

Collecting and Converting the Unprocessed Rice to Rice

Collecting the rice in the husk is different from collecting rice, and the thrashing of this rice is more difficult. Wheat is pounded in the field and is bagged and delivered to the mill, but the unprocessed rice is delivered from the field to storage areas. When needed, and according to the needs of rice growers, it is pounded and sent to the factory for conversion. The following methods are used for converting unprocessed rice:

1. Sometimes the farmers deliver the unprocessed rice to the factory for converting without drying it. The rice crop prepared in this way is usually wet and its purchase is not to the advantage of the buyer. In addition it is difficult to keep, since after a while the rice molds, becomes stale, and changes color. Its volume and size do not change after cooking either.

2. Sun drying of the unprocessed rice--In the first months of the fall, and on sunny days, the farmer spreads the unprocessed rice in the sun to dry. Of course, the rainy season of Gilan is not suited to this method. The quality of the rice crop prepared this way depends mainly on the time it has been in the sun. Drier rice is better than the wet unprocessed rice.

3. Drying of unprocessed rice in the mill--The rice pounders usually have a bin which dries the unprocessed rice according to the orders of the rice growers, and then it is converted. This drying method is the most common way of drying rice, and the rice produced by this method is called "Dangi." This method is very different and is more expensive.

4. Smoke drying--Smoke-drying is the best way to dry rice. This method is traditional and the smoke-dried rice is called smoked rice and smells smoked. Since the unprocessed rice is dried naturally and gradually for a long time, it increases the resistance of rice to dampness, and this rice can be preserved for years. It even is said that smoked rice could be kept up to five years. The smoked rice does not have customers in some towns due to its smoky odor, and is more liked by Gilan consumers.

Types of Rice:

There are various types of rice which are known to the experts, and to help the buyers we will classify them into several types:

1. The Super Extra Long rice [Dom Siah Ostekhani] of Rudsar, Kolachay and Luseh Kolayeh Astaneh. Sadri rice which has many varieties like Black Tail [Siah Dum], Red Tail [Sorkh Dom], White Tail [Sefid Dom] and Yellow Tail [Zard Dom] and many other names which are classified according to length, shape and the drying method.

2. Long first grade Sadri Rice (Yek Dangi), long second grade Sadri Rice [Do Dangi], long third grade Sadri rice [Seh Dangi]. The price of rice other than "Dangi" rice is 20 rials cheaper per kilo and smoked rice is 20 rials higher per kilo.

3. Unspecified rice. Unspecified rice is usually classified as super and ordinary.

Super "Dangi"

Ordinary "Dangi"

Observance of drying and smoking according to the above, affects the rice price. The super unspecified rice could be mixed with third grade Sadri according to its color.

4. Hasani rice--Akeleh or Gharib

Super "Hasani Dangi"

Ordinary "Hasani Dangi"

5. Chompa rice which is usually grown in the Sum'eh Sara area, is consumed locally. After the rice is threshed, the remaining rice bits are classified according to

their size, large or small, and their type. This broken rice is consumed also locally. The rice farmer sells the superior rice and buys the broken half-rice for home use. This rice is also used for making rice flour and other foods.

Purchasing Centers:

1. The government announces that the rice can only be purchased from rice growers and mill owners, who convert the unprocessed rice to rice, have produced different kinds of rice according to the production capability of the factory, and are not buying from any other persons. In this way, the government is able to prevent the rice buying and selling at the village levels. Also, in order to prevent the mills from becoming the center of the rice trade, the government investigates the mills' revenues.
2. Since it is probable that rice farmers, under the pretext of converting the unprocessed rice to rice, transport the unprocessed rice inside the area, the supervision rights must be given to the Islamic village council, or the deputy mayor in the village. Each transporter must determine the destination and point of origin certified by the council or deputy mayor and the purpose of the transport must be clear.
3. In addition to the organizations which take part in buying according to their responsibilities, local experts, should take part in purchasing. The farmers themselves are the best rice experts.
4. The basis of rice classification from the point of view of quality should be Rudsar, Astaneh and Tarom rice and the rice of other areas must be compared with them.
5. Since it is intended to make the local mills the center of buying, security should be kept in mind regarding theft and fire.
6. Since the farmers do not have daily sales, the buying commissions could be mobile in order to enable the commissions to travel to more places and relieve the burden of rice transport from the farmers and to preserve local traditions.
7. It is recommended that the commission at most once a week and at least once a month hold rice transactions in one center and inform the people of the program prior to the time through the committees, mosques, and village heads. In case it is necessary to change the program, the change should be announced through the mass media.
8. To study the shipment of rice from the area and to determine the amount of rice for the consumer.
9. Closing the purchasing center should not be announced beforehand, and their devolution must be announced according to the conditions and circumstances of the region.

The Duties of the Experts

1. Observance of local traditions is the key to success. In buying and selling, the weight of an intact burlap bag is one and a half kilos, a patched bag, 2 kilos and a plastic bag one kilo; this must be taken into consideration and charged to the sellers. Although the actual weight of the bags may not be such, the extra weight will cover for the spillage and waste which exists in all trades.
2. Determining the real amount of the crushed rice cannot be achieved except through scientific analysis so that neither the government nor rice farmers have losses. In grading rice, the maximum and minimum grade should be announced in order for the buyer to relate his purchase to the maximum and minimum. For example, even in grading it is not possible to produce unmixed and homogeneous rice and each type of rice is a little different from the other.
3. As mentioned, the homogeneous rice is not obtainable, but homogeneous rice could be prepared for sale. After purchasing rice, pour the same kind on top of the other and let it settle, and then stir with a wooden paddle until the rice is completely mixed and then pack it. This kind of rice is homogeneous. Of course the profit-making vendor mixes all sorts of rice together. The government must ensure that in mixing only the same kind of rice is used. First grade rice should be mixed with first grade rice and second grade rice with second grade rice.
4. Usually among the good quality rice, other mixed rice can be found. This is not done purposely by rice growers, but this happens during the planting and harvesting of the rice. The mixing rice usually is round and noticable and in local terms it is called "Gholveh" or "Dakhl" and the expert can identify them. Unfortunately the mix in the rice (Dakhl) decreases the price of rice and its quality. Strain improvement in the future could decrease the amount of "Dakhl" and "Gholveh."
5. Some of the rice as a result of carelessness, can become scarred, and those who are not knowledgeable cannot notice it. The purchasing expert is well aware that scarred rice is damaged and he must not purchase this rice as it should be graded and priced lower.
6. It is recommended to pack different types of rice, from each province, separately and mark them and keep them in main storage areas.
7. It is recommended that rice should be stored in main storage areas according to the date of purchase in order that the rice bought earliest be released first and thus be less damaged and that the rice bought at the beginning of the harvest does not stay at the bottom of storage area.
8. In packing, it is recommended to use burlap bags, because the burlap bag preserves the rice better and is easier to stack.
9. Since mice damage burlap bags, sanitary spraying and control is necessary.
10. The rice must be allowed to settle for two days and before packing, weighing and marking is done.

Stages of Distribution and Sale

1. As the outlets and centers for the sale of rice are increased and monopoly is minimized, the lines of rice buyers will decrease and so will the chance for bad and anti-revolutionary publicity.
2. The pricing commission must be formed for the sale of rice and the rate of sale must be determined by experts since the rice of some centers is better and has more customers.
3. In order to prevent the merchant from mixing rice for his profit, the rate intervals should not be much different from each other.
4. In traditional purchases, after total expenses, brokers fee, packing, settlement of the rice, and the expense of the sacks are taken care of, one makes less than 5 rials profit. Therefore, the total sale expenses could be arranged in this manner.
5. In importing rice for the small seller, the profit in respect to sales volume should be a good and real profit.
6. Since some of the rice of certain provinces is better and is used in restaurants and hotels and by the rich, the government can add a charge to that rice and not charge the deprived. This can only be done by the experts supervision.

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CSO: 4640/98

BRIEFS

TALKS WITH NICARAGUAN OFFICIAL--Baghdad, 13 Oct (INA)--This evening, Tariq 'Aziz, member of the Arab socialist Ba'th Party National Command and official in charge of the Foreign Relations Bureau, discussed with Alejandro Martinez, Nicaraguan foreign trade minister, the cordial relations between the Ba'th Party and the Nicaraguan Sandinist Party [party name as received] and spheres of developing them. The two sides also discussed bilateral relations, their two countries' role within the nonaligned movement and their joint struggle against world imperialism. Tariq 'Aziz also briefed the Nicaraguan delegation on the Iraqi-Persian conflict and Iraq's continuous attempts to settle this conflict in a peaceful and just manner that guarantees Iraq's rights to its lands and waters. [Text] [JN131944 Baghdad INA in Arabic 1830 GMT 13 Oct 81]

CSO: 4404/39

DAYAN COMMENTS ON PEACE UNDER MUBARAK

TA161138 Tel Aviv YEDI'OT AHARONOT in Hebrew 16 Oct 81 p 2 Political Supplement

[Commentary by Moshe Dayan published the day he died: "The Heirs and the Inheritance"]

[Text] Al-Sadat was murdered and buried. A group of heirs--Husni Mubarak and Kamal Hasan 'Ali, Usamah al-Baz, Abu-Ghazala and others--took his place. This will make sure law and order prevail in Egypt. Mubarak did not assume the presidency in order to fail; he is proficient in the technique of ruling. Nor will the new Egyptian leadership continue to put up with the intrigues of al-Qadhdhafi and, with U.S. aid, will act to silence him.

Mubarak says he will fulfill the peace treaty with Israel. His word should be trusted. I believe that the new Egyptian Government will implement it to the letter. As for its spirit, that already is another question. There are no grounds to believe that any of the "heirs," Mubarak included, would have been supportive of al-Sadat's trip to Jerusalem, had he consulted them. Neither do they presume to say that had al-Sadat not existed, they would have made peace with Israel. However, there is a great distance between this and annulling the peace treaty, in practice as well as in principle. They cannot afford to do so, even if they wanted to. They can say to their Saudi and Moroccan friends: It is not we who inspired peace with Israel, but as Egypt is committed to it, you cannot ask us to throw it into the trash-bin. We shall fulfill it but will do so according to our own interpretation and goals.

The new situation requires Israel to be ready for peaceful relations with Egypt, based on a minimal degree of closeness and personal involvement. "No war"--yes. The removal of differences--no. This is what we have. "This peace"--can anyone envision another peace in the offing? Or a different kind of peace? Or the possibility of gaining a better [bargain in] peace?

CSO: 4423/10

U.S.-JORDANIAN MIDEAST POLICY DIFFERENCES EXAMINED

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 230, 28 Sep-4 Oct 81 p 19

[Article by Fu'ad Na'im: "Amman Is Looking for a Way Out of a Relationship of 'False Hopes.' Washington Ended the European Initiative to Renew Its Pressure on Husayn"]

[Text] The Reagan administration believes that two obstacles are preventing the success of the negotiations on autonomy in the West Bank and Gaza. One is the promise of a European initiative in the Middle East and the other is the refusal of King Husayn and the Palestinians to participate in any such talks.

This analysis is based on the fact that the European initiative has given the Palestinians of the West Bank and Gaza the hope of transcending the framework of the negotiations called for in the Camp David agreements and has made them [the Palestinians] reject any appeals by others in anticipation of circumstances which are more favorable to a solution. For this reason, the new American administration proceeded to attack any plan for any short-term European initiatives. This has been confirmed by the latest statements of French Foreign Minister Claude Cheysson who said that it is up to the countries of the region to adopt the initiative which best suits them. His statements also indicated that the United States may have succeeded in convincing the French president of its views especially since Francois Mitterand has always supported the Camp David agreements. Then came the statement of the European Common Market confirming that any European search for peace in the Middle East would have to take the American point of view into consideration.

This European-American "agreement" gives renewed hope for the success of the autonomy talks. It is a well-known fact that the American administration plans to use all its weight to ensure the success of the talks. In this regard, the problem of Jordan's cooperation has been considered crucial by Washington, especially since the Camp David agreements called for it and since events have demonstrated that autonomy cannot be established without Jordan. It is in this framework that the current conflict between Jordan and the United States has developed.

Last June, when President Reagan told a number of Arab ambassadors that Israel occupies "only 20 to 30 percent of Palestine" he actually meant to put maximum pressure on King Husayn to include Jordan in the Camp David [talks] or the United States would support General Sharon's policy which aims to convert the Hashemite kingdom into a "Palestinian Republic."

For his part, the Jordanian ruler declared that the United States wishes to solve the Palestinian problem at the expense of Jordanian territory. In doing so he was directing an appeal to the world to support his nation and at the same time eliminating all the uncertainties before his trip to Washington next November.

At any rate, Washington still recognizes Sol Linowitz' (former President Carter's envoy to the talks) report which outlines three possibilities for dealing with the issue of the West Bank and Gaza: 1) To maintain the status-quo in the West Bank and Gaza which means continued Israeli military rule of the Arab areas and continuous tension and mutual aggression. 2) To maintain an atmosphere of violence to encourage the Palestinians to retrieve their land by force. This would imply renewed war in the region. 3) To continue to work within the Camp David framework for self-rule, to encourage peace initiatives and to unify the parties which are seeking peace rather than divide them.

The Linowitz report stated that the time had come for a dialog between the United States and Egypt concerning the fate of the occupied territories, but the participation of the Palestinians of the West Bank and Gaza was necessary. The United States, however, felt that those Palestinians were influenced by Jordan, and that is the reason it chose to pressure King Husayn.

Observers note that relations between the United States and Jordan in the last 4 years have been tarnished by "false hopes" which were magnified by Washington in order to pressure the king. The first of these hopes came after Anwar al-Sadat's trip to Jerusalem, which was described by King Husayn as a "courageous act." Washington interpreted that comment as indicating the possibility of Jordan's participation in Camp David.

The second false hope was seen in the diplomatic maneuvers which followed the signing of the Camp David agreements when King Husayn requested clarification from Washington, which was certain that it had convinced him to join the talks.

The third false hope was based on the possibility of Shimon Peres' victory in the Israeli elections and consequently the victory of "his Jordanian option" for the future of the West Bank and Gaza.

The last false hope is the Reagan administration's belief that King Husayn will hasten to join its war [sic] against the Soviet Union as part of Washington's new foreign policy, which gives second priority to the issue of Israel's occupation. Yet, King Husayn not only informed General Haig of his disapproval of this policy but continued to stress that the Soviet Union must participate in any negotiations for any solution to the Middle East question.

CSO: 4404/38

SAUDI ARABIA

BRIEFS

HAJJ PILGRIMS--The number of foreign pilgrims this year is 879,368. Last year's pilgrims numbered 812,892. Thus there is an increase of 66,476. These statistics were released by the Interior Ministry Under Secretariat for Passport and Civil Affairs. [GF090355 Riyadh Domestic Television Service in Arabic 1830 GMT 7 Oct 81]

CSO: 4404/39

ECONOMY MINISTER DISCUSSES INVESTMENT, INDUSTRIAL DEVELOPMENT

Tunis DIALOGUE in French No 368, 21 Sep 81 pp 18-25

[Interview with Abdelaziz Lasram, minister of national economy, by Raja El Almi and Mohamed Kenine; date and place not specified]

[Text] Our meeting with Abdelaziz Lasram, minister of national economy, was not simply limited to the major economic directions to be taken, on the eve of the entry into effect of the sixth national plan. We also raised the principal economic questions of the moment and those which most concern Tunisians. Raised first of all were the results of the recent official visit to Tunisia of Abu Zayd 'Umar Durdah, secretary of economy of Libya. It was provided in the agreement signed by the two countries that Libya, beginning next year, would provide 25 percent of all refined petroleum products imported each year by Tunisia. The resumption of private travel by individuals between the two countries, as well as the desire to follow a complementary economic strategy, constitute the principal themes which stood out in the discussions between the two ministers.

Responding to a question relating to his recent nomination as head of the economic committee of the Party [Destourian Socialist Party], Minister Lasram said: "The president considered that I could be useful as chairman of the economic committee of the Party, as I am responsible for the economy in his government. Our work consists above all in stimulating economic activity and in encouraging the most competent people to take part in considering and proposing action to be taken."

Concerning the salary negotiations under way between the government and its other social partners, Minister Lasram told us that: "These negotiations have worked out properly, on the whole. The more so as the government expressed a desire to have an overall agreement on the different views which we have, in the framework of the next 5 years."

Finally, Minister Lasram informed us of the forthcoming membership of Tunisia in the Organization of Arab Petroleum Exporting Countries [OAPEC], a membership which was desired by the Arab countries. This would permit Tunisia to benefit from several forms of assistance and to have opened to Tunisian experts very broad possibilities, particularly in the field of research.

[Question] At the time of the last meeting of the National Prices Commission, you stated in particular that: "The rate of price increases during the first 6 months of 1981 was less than that recorded during the corresponding period of 1980." And, in fact, all Tunisians, who have noticed an intensification of the effort to control prices, are aware of the very spectacular measures taken to hold down prices, of the clean-up operation in the sectors on which price control depends, etc. Will this kind of control effort be continued permanently? And if it is pursued with the same intensity, what additional costs will be involved?

[Answer] During the first 8 months of 1981 prices have gone up even so, but to a lesser extent than that recorded during the previous year. That's a good sign. If the rate of increase is maintained at the present level, we will then have one digit inflation. This is rather remarkable if you take into account the fact that Tunisia is linked to the world abroad by unavoidable and organic relationships. Tunisia exports products, but it imports other products also. Therefore, it imports part of the inflation from abroad, and we know the figures regarding this.

On the whole, the performance of the economy is good. It is no less true that the price increases which have appeared on a certain number of products are increases which one could call beneficial. Let us take the example of tomatoes. Tunisia, which was a large producer of tomatoes, has become an importer during the last 3 years. We have become an importer, because the prices paid to the farmers were no longer remunerative. As a result of the stagnation of the prices of canned tomatoes, it was no longer remunerative for the industrial firms. If things had remained as they were, it is clear that this year we would not have had much production of tomatoes. It required the joint intervention of the Ministries of Agriculture and of National Economy to convince the farmers, by means of a substantial increase in prices. When the new government was formed, the prices which stood at 28 millimes for processing of the industrial tomato went up to 35 millimes. That encouraged the farmers. As a result, we have had a good harvest this year, and we will meet our needs and even more than that, since we will have a surplus of 6 to 7,000 tons. In Tunisia we consume 32,000 tons of tomato concentrates and we are going to produce about 38 to 39,000 tons. There is an area where an increase in prices can be beneficial.

In the medium term we must find a system which makes it possible for us to raise prices to encourage production, to encourage certain groups of our population who are important, who are worthy of the interest of the government, without at the same time hurting the purchasing power of other citizens who consume these products, in a fundamental way. It is a balance which is difficult to find, but this is a realistic policy, without which we would end up with results parallel to those in Eastern Europe. The freezing of prices leads practically to the breakdown of an economy as a whole, with the prejudicial effects which we know. I will give you an example: The freezing of milk prices discourages milk production in a country; therefore, the country becomes more dependent on foreign countries for protein foods.

The freezing of the prices of a whole series of products can eventually discourage production generally throughout agriculture, and also in industry.

It is clear that costs are going up (increase in salaries, increases in costs in the field of energy, due to the general policy of the country). However, I note and I think that we have achieved a good result on the whole, due to the understanding and the will to produce, to the dynamism of Tunisian agriculture and industry, and also thanks to existing economic controls.

In the latter area I must say that we have established a control system different from that of previous years. We have achieved a general structure for the different sectors which is much more efficient, by putting in place more human resources, by benefitting from the understanding of the other ministries concerned, and by having recourse to substantial financial resources from the Compensation Fund, which has intervened in the case of a certain number of products. The Compensation Fund has also played a role in making timely imports possible in the course of carrying out operations which perhaps have resulted in a worsening of our trade balance, but these should not be exaggerated. The total value of these transactions is small, compared to the overall figures of the foreign trade of Tunisia, which is sufficiently large not to be influenced by the import costs of a few apples or bananas.

[Question] There were no shortages of goods during Ramadan. State intervention in the market therefore did not turn out to be a financial disaster, as certain pessimists predicted.

[Answer] Far from it. Regarding Ramadan, state intervention cost the state budget nothing, from the direct financial point of view. Our needs were covered by domestic production, for the most part. We only intervened in the market during a period prior to the month of Ramadan to arrange for increased stocks of some products. For example, we purchased goods from Tunisian producers and, by agreement with them, we arranged for the stockpiling of a quantity of potatoes and eggs, which we then redistributed at the right time and sold. We have nothing to complain about. In any case, these operations are much more psychological than expensive, and I would like to give you a figure. We calculated that Tunisians consume 150,000 tons of all kinds of fruit. This is not the 1,000 tons of bananas or the 1,500 tons of apples which would change hands no matter what. Each year Tunisia consumes 20,000 tons of potatoes. Consumption is rather substantial, but the 3,000 tons of potatoes which we put on the market do not amount to much. Therefore, this involves essentially a psychological role. By intervening in certain places at certain times we were able to avoid the psychological effects on an increase in prices.

It is the same thing with eggs. The 3.5 million eggs in stock or even the 10 million eggs would not have much influence on the market when we know that the country consumes more than 700 million eggs per year (70 to 80 million tons during Ramadan) [sic: Figures seem confused: With a population of 6.5 million, Tunisian consumption of 700 million eggs per year sounds reasonable; consumption during Ramadan should probably read 70 to 80 million eggs, not tons of eggs].

We acted to break the bottlenecks which might develop in certain sectors where speculative tendencies might appear. We also took action to enact laws and regulations which were considered to be very effective, such as control over refrigeration facilities.

[Question] Therefore, this is a question of organization and control at the same time, and of taking the drama out of the situation.

[Answer] It is first necessary for the people to feel secure and not have the impression that prices are going to increase or that some products will be in short supply. That would push people to rush into the market. The mass of consumers in Tunisia has rather disorderly behavior in this area. There is a phenomenon of acceleration, a phenomenon of price increase. To avoid these phenomena, we preferred to intervene

in the market to take the drama out of problems and so that people would have a feeling of security. This had the effect that, for the first time in the course of Ramadan, Tunisia was properly supplied in the marketplace.

[Question] The present economic policy is characterized by its promotion of voluntary cooperation.

[Answer] That is quite clear. We acted, we are acting in different directions in the Ministry of National Economy to keep in mind interests which may appear contradictory in the short term but which are not so in the long term.

This concerns the interests of the consumers and of the producers. It involves the protection of our energy reserves, in order to raise national production to the maximum. It is also a matter of raising the living level of the Tunisian people. These are factors which in certain cases may appear contradictory but which, over the long term, are certainly coherent between them. This may lead people to imagine that, in certain situations or by making certain interpretations of events which are generally not well-intentioned, there is a certain feeling of improvisation. But who can actually direct an economy by programming 4 or 5 years in advance, given the changes, the shocks that may be suffered, and the effects of the overall situation?

We have several examples of people who have tried to contain an economy within a framework, no longer doing anything to make it budge from its framework. The political judgment has been clear. In the actual world of power, it is not possible to foresee what can happen. What we need is to be sufficiently vigilant so that the shocks which threaten to occur are not experienced at the moment when we least expect them. We also need to be prudent in order not to be surprised by external events which could take place tomorrow and get worse. We see the situation in Europe, in the Western world, in the Third World. This makes us feel more concern than optimism and to take very long term precautions. We are obliged to continue to look to the future of the country, to try to create jobs, to develop the import program of the country so that it will become more independent, both in the field of energy as well as in the economic field. We are obliged to look for a better future for our country, while remaining very prudent in order not to fall into a kind of optimism which could be very dangerous. We must be mistrustful because the effects of these phenomena at times could be less than expected.

[Question] Wouldn't a voluntary and permanent lowering of prices risk having negative repercussions on the development of young Tunisian industry?

[Answer] That is both true and false. It is true because we must not require an industrialist to sell his products at a price below production costs, which are rising. It is false in the sense that most Tunisian industrialists have calculated their cost prices on the basis of production which was not 100 percent from the factory. They counted on the local market, which is a captive market. Since we carry on a rather precise pricing policy in Tunisia, that is to say, a rather firm policy, we push people to achieve greater productivity first, but also to look for unused market possibilities. In other words, we are oriented toward exports. In the industrial area we think that exporting for Tunisia is one of our fundamental obligations, in the sense that it helps to maintain or even improve Tunisia's standard of living. If Tunisia does not export industrial products, if we take into consideration its natural resources which apparently are being rapidly exhausted, petroleum in

particular, Tunisia has only phosphate which it is exploiting to the maximum. Therefore, if Tunisia does not develop a competitive industrial capacity, capable of being exported, it is clear that in a rather short time the country will be in a situation where its capacity for investment and its capacity for development will be reduced. We must not forget that during the last 5 years the increase in the petroleum prices has made up for a lot of things. That means that Tunisia, without having increased its production, has expanded the value of its petroleum production by four, five or six times. This has made it possible to achieve improved performance, but what is important is that the improved performance has been in the framework of the exporting industries: Chemical industry, for example. We must direct ourselves toward exports in the areas of mechanical industry, electrical and electronic production, which are the industries of the future. We can only do these things under certain conditions: To have competitive prices, to improve quality, to produce in accordance with modern standards. If we live in a closed circle, if we continue to benefit from surprises on the local market, the road cannot be very long.

[Question] According to some people, the creation of 320,000 jobs in 5 years (65,000 jobs per year), an objective of the Sixth Plan, would be difficult to achieve. This statement is based on several economic considerations: The enormity of the investment required, the number of new projects involved or to be involved, difficulty conditions for emigration. What are the priority directions envisaged to provide the maximum of new jobs in the course of the next plan?

[Answer] There is something that needs to be said: Our wish is to continue to raise to a maximum Tunisians' standard of living and, at the same time, to create jobs. Unfortunately, in this area it will be necessary to make certain choices: Should we give total priority to jobs or should we give total priority to raising Tunisians' standard of living, and thus of maintaining the pace of raising the standard of living of Tunisians who are working at present.

It is clear that, to the extent that we devote the bulk of our resources to raising the standard of living, we won't have enough resources to create jobs, that is, to encourage savings and investment in order to create jobs.

In this area it is going to be necessary to make choices: Which is the priority of priorities? Is it jobs or raising the standard of living of those who presently have jobs? That is the first problem which it will be quite necessary to decide without, for all of that, lowering the standard of living of those who presently have a job.

It is necessary to assure this social category of the maintenance of its living standard, in order to be able to use all the surpluses of the economy to enable other categories of people presently without jobs to have access to jobs and to the same living standard. This will constitute an improvement of the general living standard in Tunisia. It is an important choice.

Regarding emigration, I do not think that it is as difficult as people say. It is difficult, certainly, when it is directed toward the traditional countries to which we have sent workers. However, there are other possibilities. Our problem is not to find jobs for emigrants but to create a balance between the needs which are evident in many countries and in particular in fraternal Arab countries, and the technicians and the people whom we are able to train, whom we are capable of preparing to assume a certain number of functions.

Therefore, there is, on the one hand, a problem of balance and on the other hand a problem of means. We should carry on a policy of establishing a presence, since we have attained a certain technological level in different areas. This level is relatively valuable, if you compare it with that achieved by other countries. Many doors are opening, more and more before us. The latest conversations which we have had with different delegations from numerous, fraternal countries, both near and far away, show particular predispositions regarding Tunisian competence, regarding Tunisian work, regarding the general behavior of Tunisians. From this point of view the doors are not closed--far from that.

The third question is jobs. To be precise, the figure of 65,000 jobs is a very substantial figure and one which will require considerable efforts to achieve. This will demand meeting a certain number of conditions.

It is clear that if these conditions, which I have just mentioned in different areas, are brought together; that is, if we succeed in promoting the exports of industrial products, if our companies orient themselves toward foreign markets, if they move beyond domestic protection and direct themselves toward what is called "the high seas" in the economic sphere; if we succeed in achieving the investment programs which we have established for ourselves--and in this area I must say that we have identified enough projects to achieve the objectives which have been set out; if we finally succeed in doing that, why be a pessimist?

Were we sure we would achieve the creation of the 40,000 or 45,000 jobs set out in the Fifth Plan? Nevertheless, we did so. The events we have mentioned, the development of a certain level of production, the expansion of our export receipts, thanks to petroleum and thanks to the factories which we have built, have made possible the simultaneous creation of a very large number of jobs and have provided decisive help in the creation of jobs. Why, then, won't favorable conditions be created tomorrow, thanks to the factors which I have mentioned here and thanks to other, external factors?

[Question] Among the agreeable surprises which we have seen in the last few weeks was the discovery of promising indications of new petroleum and natural gas deposits. Some economists say that is likely to hold off development of a Tunisian petroleum deficit, on the one hand, and to increase our resources on the other hand. What are the new prospects in this regard?

[Answer] On this question it is necessary to be precise. We cannot yet speak of discoveries at this stage. We can only say something which is very important--and I said it in the statement I made after having met with the president to present the situation to him. There are very promising indications which have appeared in geological zones which, up to now, were considered as having no possibility of being producers of petroleum. Now, this kind of geological zone exists in large numbers in Tunisia. We should not know until the months of December or January which are the largest areas among the first possible zones. However, what is very important is that, thanks to these new factors, entire sectors which were considered as definitively out of the running, being unable in any case to contain accumulations of natural gas and petroleum, are now of interest to prospectors once again and are considered as becoming promising sectors in the years to come. This is the most important element. Most of the drilling areas are onshore. Moreover, the evidence of that is very simple: Whereas all of our direction of effort and orientation was toward the seas and toward the offshore areas, 5 or 6 years ago, presently, from the point of view of research, we have seen an actual reversal toward the land, since we are going to have about

two-thirds of the exploratory wells drilled on land and only one-third of the exploratory wells drilled at sea. This is a real change of direction. Because on land every discovery, however slight it might be, is economically viable, since it does not require as substantial investments as those at sea. At present we cannot yet speak of discoveries. However, we have great hopes that we did not have at all just a short time ago.

[Question] Then we do not have any idea of the possibilities for exploitation.

[Answer] Yes we do, since everything which we find on land, and because of the marginal investment involved, can be exploited. The more so as the country is not very large and as natural gas ducts and pipelines exist in these regions and rather close by, and because the port facilities make it possible to ship these products out without very substantial infrastructure investments. Any production of this kind is of interest to the country. What is its importance? If I tried to answer that, practically speaking it would be speculation, pure and simple. In a year from now we will have much more precise data on all of the possibilities which exist in different regions, of which the principal ones are Sfax (the coast and on the borders) and Herid (Chott Herid in the South, which covers the area from the Algerian border region to Al Hamma in Gabes). Those are the regions of particular interest. In any case, the indications should not be taken into account in our calculations.

[Question] Couldn't that serve to introduce new dimensions in the directions of the national plan?

[Answer] For the moment, not at all. In my view that would be a very serious matter. Those are factors which we should never take into account, because technical obstacles could develop at the most unexpected stages, and even at the final stages. We could even find substantial deposits from which it is impossible to "extract" the petroleum. There could be faults within the layer which are found eventually and which show that the deposit is not of the size which we originally thought. Those are factors no one knows. Even the greatest petroleum companies in the world will tell us the behavior of deposits is often impossible to foresee. The "el Borma" field, for example, should have been declining for a very long time. We made investments there. The field has a youth which, I hope, will be a long one. The same is true for the Ashtart field, which was to have an unforeseen additional productive capacity. It is also the case with the natural gas deposits which we are going to begin exploiting. We do not know exactly what it contains. We only know what it will give us in terms of the minimum quantity of petroleum.

[Question] In this sense people are asking about the periodic increases in the price of gasoline and other fuels.

[Answer] The prices in force in Tunisia were those of a country which was a large producer of petroleum. The danger which concerned us the most was that of the day when we would no longer have petroleum products produced within the country. How would it be for an economy which pays for its petroleum products at a price which is one-third their value to have to face the shock which the importation of these products would represent? Raising prices was therefore required. You can't be a responsible official in a country and accustom it to things which may disappear in a rather short space of time, since Tunisia will become a net importer of petroleum in 7 years, if you consider the present prospects. You can't lead a country without deciding anything for a period of 7 years, only to find yourself, from one day to the next, under the obligation to increase the price of cement by 300 percent, to

increase the cost of transportation by 250 percent, etc. The example of Poland is there. For that reason it was necessary to increase progressively the cost of energy, with the effects which we have seen. That is, an increase in the prices of electricity, transportation, cement, steel. The increase in prices in general of all products in which energy enters as a significant factor. It was necessary to increase these prices so that the economy of the country would be in a position tomorrow to face up to the eventual import of petroleum. Because even if we can, by one or two discoveries, put off the end of our petroleum by 5 or 6 years, in any case the need to import petroleum will occur one day or another.

I don't think that Tunisia can meet its petroleum needs indefinitely from domestic production. The same is true for the rest of the petroleum countries, as petroleum is a non-renewable source of energy. It is a matter, therefore, of getting the economy accustomed to a price which is not necessarily the world price, but which aims at staying close to the world price. This action is necessary. We must do it. It would have been easier to put off the end of our estimated reserves and to leave the problem eventually in a few years to other persons to handle. That would have been irresponsible behavior. The fact that certain persons criticize the increase in these prices is also irresponsible behavior. These prices must increase progressively and in a selective way, as we are in the course of doing. We are increasing the prices of certain categories of products. We have left others. We have taken into consideration the position of citizens who are in difficult situations. We have not raised the price of kerosene, with all the perverse effects involved. We have put aside natural gas in tanks.

However, we are obliged to increase the prices of other products. It is not normal to let the few resources which we possess be wasted in this way. That would have been an irresponsible attitude. We could have left for 6 or 7 years a situation which must be resolved now. If the cost of energy had not been increased, we could never have brought out the natural gas in the ground. For example, why should people use the natural gas tomorrow which we have brought out, which will be marketed at a certain price, if they can have fuel oil or gas-oil at a lower price? That is the simplest example. You come to a situation where you cannot place a value on your patrimony. Tunisian natural gas will be sold at around \$100 a ton of petroleum equivalent (TEP). If the Tunisian prices are lower than \$100 a ton, why should the factories change their equipment to use this gas? Why should all operating companies think of using it? They would prefer to use the same products as at present. The Tunisian economy must prepare itself to live some day without protection.

Our country has so limited a market that it is unable to live as a close system. Tunisia cannot live as an autarkic economy. It imports a certain number of its raw materials and its food, and it is obliged to export a certain number of its products. Sooner or later, we must lift a certain number of barriers such as the control of prices and control over exports in order to free the country. How can you free the economy of a country if it is not at the level of the other economies which surround it?

[Question] It has been remarked that the level of industrial integration remains relatively low. Have specific solutions been found for this situation?

[Answer] The rate of integration is very high in certain areas and very low in others. On the other hand you can have a product with a very high rate of integration which

does not have the best standards and the best quality, just as you can have a product with a low rate of integration which can be of good quality and which can be very well accepted by the people.

The rate of integration is certainly an important choice on the overall economic level, but it is difficult to apply it in all sectors.

There are sectors where you cannot go beyond a certain rate of integration, considering the phenomena of size which our economy has. Personally, I think that the law passed in 1980, which replaced the law of 1974, is very clear on this point as far as industries are concerned. Our direction is toward encouraging the rate of integration.

On the overall economic level, an economy must have the maximum degree of integration. However, we should not make this into an obligation, unless we cannot achieve the same industrial development. We have promulgated a law which takes these factors of integration into account, which also takes into account the factors of decentralization, and which tries to provide a certain number of changes in the 1974 law. This was a good law, moreover, in the sense that it responded exactly to the needs of the time, since it was enacted to promote all these manufacturing industries established in Tunisia. These industries have contributed to the creation of 20,000 jobs, which is not a negligible factor. We have made changes in this law to encourage that, and we also favor arrangements under which we seek to bring in a certain number of industrialists as partners, in order to achieve what are called compensatory formulas. Events have proved that we were right. For example, we asked a certain number of private companies which sell their products in Tunisia, which up to then only assembled their goods, to provide us with balancing, compensatory formulas. Still by way of example, we signed an agreement with the French firm Peugeot, under which this company, in exchange for a Tunisian market in which it continues to assemble vehicles, has committed itself to proceed industrially with a high level of integration of parts in a sector equivalent to the automobile industry. Under the agreement the parts used would reflect valid conditions of price, quality, and technology. An agreement with General Motors in Kairouan has also been signed, as well as a third agreement with Renault, which will set up a factory at Mateur.

[Question] That is, in regions where such industries did not exist.

[Answer] Which will have the effect of providing a technological stimulus to these regions. This is because it concerns advanced technology. What we are in the course of undertaking in this area I think is applicable to many other areas. I said a moment ago that both such sectors as electricity and electronics, as well as others, can be opened to Tunisians. I think that the quality of Tunisians' technological work could permit the establishment of industries much more developed than those of the 1970's.

This is not a criticism. Quite the contrary, this is a new stage which we are trying to achieve, and it is the second stimulus which we are trying to give our policy. The 1972 law was much criticized at certain times. The 1972 law is an excellent law because it made it possible to export in many areas. We are going to use it in these new areas, but it will be a completely different kind of use. It will be a use of the law, very fully integrated in the technologically developed sectors.

[Question] That brings us to speak of the economic role of Tunisia developed by your ministry, and which has identified all the areas where we face problems of jobs as well as economic infrastructure. What are the actions already undertaken or to be undertaken in concrete terms to eliminate progressively the flagrant imbalance between the coastal regions and the rest of the country at these levels?

[Answer] Action in terms of our structures and other incentives have been provided for in the framework of the 1980 law. Structural changes have been made in the form of particular action to develop industrial zones in order to try to put in place the infrastructure necessary for the establishment of these industries in regions other than those normally chosen for industrialization (it is necessary for the roads to be equal to the concept; it is necessary for the telephone service to follow, etc.). It is also necessary to create in these regions special interest zones which will give people who have the opportunity to choose other zones to find the proper conditions for industrial work which is satisfactory, with all that that implies in terms of facilities and the general environment. This is the policy on which the government has decided. I think that you have noted, despite this very short period of time, all the efforts which have been made in terms of roads and a certain number of other areas to permit this policy to succeed. The prime minister and the government have, on numerous occasions, confirmed this desire to provide the various regions with the means necessary for their development. An economic policy costs a great deal in the short run. In the long run, it is not expensive, because the various regions will make better investments now than when confronted later on with the problem of large-scale sprawl associated with a city like Tunis, Sousse, or Sfax. The political will of the government exists to do that. However, it is necessary to mobilize the maximum of resources to attain these objectives. The visits which certain high officials of friendly countries are making, or rather the statements made on the agreements which have been entered into in terms of investments show this will, since investments are being directed more and more toward the interior of the country.

Regarding incentives, they are very clear.

Presently, we have established several zones which we have classified into categories 1, 2, 3, 4, and 5. In regions 3, 4, and 5 we have accorded substantial advantages like total assumption of infrastructure work (cost of the land and all expenses related to the establishment of the industrial unit). We have provided subsidies for each job created (1,000 dinars per job in the fifth zone). And when the project reaches a point of no-return, we unblock 50 percent of this sum. Beside the cost of infrastructure, these incentives amount to substantial expenditures estimated at 40 million dinars of indirect subsidies since the law went into effect, which will be given in this way so that factories will be established in the interior of the country. This amount is calculated on the general average which we provided for establishment of industry in the interior. We have noted during the past 2 years an increase in the number of industrial projects. Since these measures went into effect, the percentages are less and less unfavorable for these regions by comparison with the coastal regions.

[Question] A look at our trade balance makes it possible for us to note that our exports are concentrated on a few products and above all in several traditional markets. Doesn't the danger in this situation threaten the deterioration of our trade deficit?

[Answer] It is clear that a large part of our foreign trade is covered by four export products: Petroleum, phosphate and related items, textiles, and olive oil. Nor should we forget that we export a multitude of other products. However, we should broaden this range of products. It is for this reason that we spoke a few moments ago of the importance of sectors like the mechanical and metallurgical industries. We still have extensive possibilities for development. We must not remain dependent on a single product. The best proof of this capacity for development is phosphate. We began with an inexpensive product, very little appreciated, to reach today two industrial programs which are particularly remarkable: In Gabes and in Sfax, and with a varied range of products. We have reached a position where our production is no longer subject to the fluctuations and phenomena which generally affect the production of a single product, since we produce super-phosphate, phosphoric acid, DAP, MAP, etc. Further, we are in the course of developing in Zarzis a new industrial center which will permit the manufacture of a certain number of products like potash. That will permit us to complete the overall range of our chemical production with the factories at Gabes and Sfax, that is, in the area of fertilizers. In this area a diversification of markets has been achieved. We are not dependent on a single market. We operate more or less everywhere in the world, from Indonesia to Northern Europe.

In other areas, such as textiles, we can achieve diversification in production. The capacity which our textile industry has displayed up to now has resisted the shocks imposed by the European countries.

Regarding present markets, I think that we have an interest in keeping our traditional markets, without forgetting to produce more and to go some distance to sell it.

I don't understand why we should not maintain our position in the European Economic Community, which is our trading partner and our geographic neighbor, even if we go on to seek our other markets for increases in production.

This should not stop us from developing trading relations in particular with the countries of the Arab world. The best example is the effort which we will be able to achieve by means of an agreement, in fact, with Libya. We have achieved remarkable scores in terms of exports and imports. We are going to buy many products from them, and we have already sold them many products. We will sell more to them.

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